

YiDA 亿达

2025

ANNUAL REPORT

年 度 報 告

億達中國控股有限公司

YIDA CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

股份代號 Stock Code : 3639.HK



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Corporate Overview

Yida China Holdings Limited (the “**Company**”), together with its subsidiaries (collectively referred to as the “**Group**”), founded in 1988, is China’s largest business park developer and leading business park operator. The main business involves business park development and operation, sales of residential properties within and outside business parks and office properties and standalone residential properties, business park entrusted operation and management and construction, decoration and landscaping services. On 27 June 2014, the Company was successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the early stage of corporate development, the Group established its foothold in Dalian and relied on its local knowledge advantages. Meanwhile, it catered to the international development trends and enjoyed the advantages of its unique business model. Since 1998, the Group had firmly been seizing the international industrial relocation opportunities of service outsourcing industry and IT outsourcing industry, implementing “Private Investment + Government Support”, Internationalization and “Industry- Universities” integration strategies, creating the business model of City-Industry Integration, and constructing and operating Dalian Software Park at a high standard. The Group had become a pioneer in the field of China’s service outsourcing business park development and operation and had determined its future development direction.

During the business expansion stage, the Group improved its capacities in all fields, raised abruptly based on its accumulated strength and established its own core competitiveness. The Group, by relying on its successful experiences in the operation of Dalian Software Park and the government’s economic development and industrial upgrading strategies, fully integrated internal and external resources, further developed and operated Dalian Tiandi, Dalian BEST City, Wuhan Software New Town, Yida Information Software Park and many other software parks and technology parks. It helped the Group achieve its preliminary strategic goals of “National Expansion, Business Model Exploration and Diversified Cooperation”. For 20 years, the Group had provided its services to nearly 80 Fortune Global 500 Companies. The Group had accumulated rich client base and operation experiences, forming a blue ocean for business development featuring high entry threshold, high customer loyalty, whole production chain coverage and immunity to cyclicity risk.

Throughout these years upon the Listing, the Group clearly put forward to be “China’s leading business park operator”. It pursued its national expansion goal through the strategy of “leading the development of asset-light business to actuate asset-heavy business, and developing asset-light and asset-heavy businesses simultaneously”. Thus, the Group, by virtue of using the development mode of “City-Industry Integration”, had been fully exploring its business in major first-tier and second-tier cities and economically vital regions.

In the “second half” of the real estate industry, the Group will cater to the trends and, by virtue of its strong internal and external resources, enhance its core competitiveness as to its business park development and operation to finally achieve scale development and performance improvement.

Corporate Information

Board of Directors

Executive Directors

Mr. Jiang Xiuwen (*Chairman and Chief Executive Officer*)
Mr. Yuan Wensheng

Non-executive Directors

Mr. Lu Jianhua (*vice chairman*)
Mr. Wang Gang
Ms. Jiang Qian

Independent Non-executive Directors

Mr. Guo Shaomu
Mr. Han Gensheng (*resigned on 13 January 2025*)
Mr. Tong Wing Chi (*appointed on 13 January 2025*)
Mr. Chen Yi Chuan (*appointed on 13 January 2025*)

Joint Company Secretaries

Mr. Sun Mingze
Ms. Kwong Yin Ping Yvonne

Authorised Representatives

Mr. Jiang Xiuwen
Mr. Sun Mingze

Board Committees

Audit Committee

Mr. Han Gensheng (*resigned on 13 January 2025*)
Mr. Guo Shaomu
Mr. Tong Wing Chi (*appointed on 13 January 2025*)
Mr. Chen Yi Chuan (*chairman, appointed on 13 January 2025*)

Remuneration Committee

Mr. Jiang Xiuwen
Mr. Guo Shaomu (*chairman*)
Mr. Han Gensheng (*resigned on 13 January 2025*)
Mr. Tong Wing Chi (*appointed on 13 January 2025*)

Nomination Committee

Mr. Jiang Xiuwen (*chairman*)
Mr. Han Gensheng (*resigned on 13 January 2025*)
Mr. Guo Shaomu
Mr. Chen Yi Chuan (*appointed on 13 January 2025*)

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters in the People's Republic of China ("PRC")

Block 4, Yida Plaza
93 Northeast Road
Shahekou District
Dalian, Liaoning Province
PRC

Principal Place of Business in Hong Kong

Room 2008, 20/F
Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai
Hong Kong

Corporate Information (continued)

Auditor

Prism Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisors

As to Hong Kong Law
Guantao & Chow Solicitors and Notaries (Hong Kong)

As to Cayman Islands Law
Conyers Dill & Pearman (Cayman) Limited

Principal Bankers

Bank of Dalian
Shanghai Pudong Development Bank
Harbin Bank
Huaxia Bank

Stock Code

3639

Company's Website

www.yidachina.com

Chairman's Statement



Dear shareholders,

I present you the annual report of Yida China Holdings Limited and its subsidiaries for the year ended 31 December 2025 (the “Year”).

Jiang Xiuwen
Chairman and Chief Executive Officer
Yida China Holdings Limited

Results

During the Year, the Group recorded revenue of RMB2,063 million, of which sales income from residential properties within business parks, office properties and standalone residential properties was RMB1,190 million; rental income from business parks was RMB408 million; business park entrusted operation and management service income was RMB171 million; construction, decoration and landscaping income was RMB294 million. Gross loss decreased by 100.7% to RMB2.91 million compared to the corresponding period of the previous year, with a gross profit margin of -0.1%. Net loss attributable to equity owners of the Company was RMB3,076 million.

Chairman's Statement (continued)

Review of 2025

In 2025, China's real estate industry underwent profound adjustments and transformation pains. Confronted with complex challenges including persistently weak market demand, extended destocking cycles and mounting downward pressure on prices, the industry as a whole remained in an adjustment phase shaped by the interplay of market forces and policy support. The land market stayed subdued, developers largely remained cautious on investment, and the industry pushed forward with risk clearance alongside a shift in development models.

Against this backdrop, adhering to the principle of steady operation and with the firm support of the controlling shareholder, the Group rallied the concerted efforts of all staff and focused its work on "guaranteeing deliveries, stabilizing operations and mitigating risks". It actively advanced operational stability, debt stability and risk resolution, and achieved a series of substantive progress in domestic and overseas debt management, existing asset revitalization, operational risk mitigation, government-led building delivery, and retention of its core management team, ensuring the smooth and orderly conduct of all business activities.

I. Standing Firm on Ensuring Project Delivery and Honoring Corporate Commitments

Faced with a challenging market environment and tight liquidity, the Group has always prioritized the "Guaranteed Delivery Building" in its operation and management. Through refined capital planning and resource allocation, the project teams in Dalian and Zhengzhou overcame delays in construction progress caused by sluggish sales, actively coordinated resources, and successfully delivered approximately 183,000 square meters of "Guaranteed Delivery Building" across Dalian Core Park project and Phase IV Section B of Zhengzhou Yida Creation City. These efforts fully safeguarded the interests of the public, the government and homeowners, fulfilled social responsibilities, and further enhanced the Yida brand image.

II. Actively Promoting Debt Stability and Risk Resolution

The Group pressed ahead with efforts to resolve debt risks and optimize its debt structure, actively implementing measures to ensure stability. During the Year, the Group engaged in active negotiations with core suppliers to properly resolve operational debt risks and maintain stable cooperation across the industrial chain. Meanwhile, it held multiple rounds of candid and in-depth discussions with relevant financial institutions on financial liabilities, and successfully reached extension arrangements for relevant debts totaling approximately RMB3.5 billion. This effectively alleviated the Group's liquidity pressure, optimized certain debt maturity structure, and created favorable conditions for its sound operation and strategic development in the future. In addition, due to the Borrowings Overdue, certain creditors have initiated litigations. The Group has continuously conducted discussions with the relevant financial institutions throughout the litigation process, aiming to reach an effective debt restructuring or debt resolution plans.

III. Focusing on Operational Improvement and Enhancing Organizational Efficiency

Amid industry-wide pressure, the Group stayed committed to its core business, ensuring that the core operational team remained dedicated to their duties, focused on targets, clarified responsibilities and implemented measures rigorously, thereby maintaining stable business and operations. Meanwhile, the Group dynamically optimized the organizational structure in light of actual operating conditions, strengthened comprehensive budgeting and expense control, and strictly managed ineffective costs.

Outlook for 2026

Looking ahead to 2026, the real estate industry will continue to seek a new equilibrium amid adjustments. Policy support will remain strong, with measures implemented to “stabilize expectations, stimulate demand and optimize supply” to promote medium – to long-term high-quality development. Nevertheless, structural differentiation across regions and product types in the residential market will become increasingly prominent. The office property market will remain dependent on the restoration of investment confidence driven by the overall economic recovery, and industry park operation will face more severe survival pressures. The Group will also enter a peak period of phased debt restructuring negotiations as substantial financial debts fall due.

Faced with an even more challenging internal and external environment, the Group will pursue the stabilization and restructuring of domestic and overseas debts through market-oriented and law-based approaches. The Group will seek opportunities for transformation and upgrading in the industry park sector, focusing on core regions, optimizing main businesses, improving operational quality, and expanding into new businesses along the industrial chain, striving to break new ground for development.

I. Focusing on Main Businesses and Comprehensively Improving Quality and Efficiency

The Group will adhere to a cash flow-centric approach and focus on its core businesses and core assets. On the property sales front, the Group will dynamically optimize marketing strategies and pricing systems, expand diversified destocking channels, and accelerate the turnover of existing assets. On the business park operation front, the Group will continue to optimize supporting services, conduct targeted investment promotion anchored by core enterprises, secure a stable tenant base, and ensure the collection of long-term rental income. Meanwhile, the Group will actively explore diversified approaches to revitalize existing assets, prevent and defuse potential risks, and fully achieve a virtuous cycle of operating cash flow.

II. Resolving Debt Risks and Consolidating the Foundation of Corporate Operations

The Group will systematically advance the restructuring and resolution of domestic and overseas existing debts in accordance with market-oriented and law-based principles. On one hand, the Group will actively seek support from the government and financial institutions, negotiate reasonable schemes with creditors, and optimize the debt structure. On the other hand, the Group will revitalize resources through various means such as asset disposal and joint development to alleviate cash flow pressure, thereby ensuring the smooth operation of daily business.

Chairman's Statement (continued)

III. Expanding Innovative Businesses and Exploring Investments in the Real Economy

Driven by national economic structural reforms and the comprehensive implementation of the “Dual Carbon” policy, the industry is shifting towards high-quality development, ushering business park operations into a new era. The Group will actively respond to national initiatives. Targeting emerging industrial spaces, the Group will take the Hefei business park as a pilot project, vigorously explore zero-carbon building technologies, introduce high-tech industries, and integrate superior resources to build a benchmark low-carbon smart park project and set a new standard for the industry.

Jiang Xiuwen

Yida China Holdings Limited

Chairman and Chief Executive Officer

31 March 2026



Dalian Tiandi

Management Discussion and Analysis – Business Review

I. Operation of Properties Owned by Business Parks

During the Year, the Group wholly owned four business parks, including Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City. The total completed gross floor area (“GFA”) of the above business parks was approximately 1.929 million square meters (“sq.m.”), with a leasable area of approximately 1.368 million sq.m.. The Group recorded a rental income of approximately RMB408 million, representing a decrease of 13.6% from the corresponding period of the previous year, mainly due to widespread lease terminations and downsizing by multiple tenants in the park during the Year.

An Overview of Properties Owned by the Group

(unit: '000 sq.m.)

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area				Occupancy Rate at the End of the Year	Address	Lease Term
			Office Buildings	Apartments	Shops	Parking Spaces			
Dalian Software Park	100%	635	367	180	34	41	80%	No. 1 Shuma Square, Shahekou District, Dalian, Liaoning Province	2-10 years
Dalian BEST City	100%	147	97	-	8	40	44%	Chuntianguan, Ganjingzi District, Dalian, Liaoning Province	1-3 years
Yida Information Software Park	100%	120	78	-	10	31	72%	No. 953 Huangpu Road, High-Tech District, Dalian, Liaoning Province	2-10 years
Dalian Tiandi	100%	337	219	38	32	12	81%	High-tech District, Dalian, Liaoning Province, close to Lvshun South Road and divided into the Huangnichuan and Hekou Bay site	2-10 years
Wuhan First City	50%	690	78	30	26	47	80%	Intersection of Huacheng Avenue and Huashan Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province	1-3 years
Total		1,929		1,368					

Note: The financial statements of Wuhan First City were not consolidated to the financial statements of the Group, therefore the rental income of the Group excludes the rental income from such park.

In 2025, leasing market activity for business parks and office properties was on a persistent decline. Dragged down by the dual challenges of macroeconomic conditions and structural adjustments, the market experienced shrinking new leasing demand, reduced tenant renewal intentions, and intense competition among the existing projects, making park operation more challenging. In response to this, the Group’s business team made every effort to mitigate the loss of core clients and maintain a stable occupancy rate through high-frequency client visits, customized industry activities, and the introduction of flexible leasing and pricing policies. During the Year, the Group’s Dalian Software Park recorded a new leasing area of approximately 23.2 thousand sq.m.. However, area reductions due to customer business adjustments and other factors reached approximately 71.2 thousand sq.m..

Braving these challenges, the Group prioritized “stabilizing the existing projects and improving the occupancy rate” as its primary task. By establishing dedicated client liaison mechanisms and addressing the diverse needs of key major clients, client satisfaction witnessed a substantive enhancement. Beyond that, the Group progressively promoted green operations and refined management and achieved dual improvements in operational efficiency and client experience by effectively optimizing the cost structure while ensuring service quality.

Management Discussion and Analysis – Business Review (continued)

I. Operation of Properties Owned by Business Parks (continued)

Furthermore, the Group identified “functional transformation and value reshaping” as its breakthrough objective. The tenant recruitment team actively engaged with and successfully introduced renowned hotel chain brands and other commercial amenities to the park to enhance the park ecosystem. Systematic benchmarking visits were conducted to accumulate experience for space revitalization. The Group has systematically elevated its brand profile and enhanced humanistic approach through proactive engagement in city promotion, the development of exhibition centers and the creation of cultural and creative products. By organizing high-frequency, high-quality industrial events and leveraging new media operations, the Group has directly engaged with the park community. This has effectively injected new business formats and vitality into the park, marking solid progress in the transformation of traditional office districts into comprehensive, people-oriented industrial communities.

Management Discussion and Analysis – Business Review (continued)

II. Sales of Properties

In 2025, China's real estate market continued its deep adjustment trajectory. Under the overarching framework of “housing is for living, not for speculation” and the establishment of a new development model, the policy environment remained accommodative. Various localities constantly optimized restrictive measures, with a focus on advancing the implementation of the “three major projects,” revitalizing stock and mitigating risks to inject stable expectations into the market. However, despite sustained policy support, the overall recovery of market demand remained sluggish. The industry exhibited significant structural divergence: high-quality upgrade projects in prime locations of core cities maintained relative resilience thanks to their scarcity and product strength, while ordinary residential properties and existing projects in broader non-core areas continued to struggle with substantial destocking pressure and notable price declines. The liquidity pressures on real estate enterprises coexisted with a wait-and-see sentiment among homebuyers. A comprehensive restoration of market confidence will take a longer period, and the industry as a whole remains in a painful transition.

The Group will continue to focus on its core businesses such as “asset revitalization, debt reduction and risk control, sales collection and project construction”, making every effort to advance all business operations. Facing profound industry adjustments, a persistently declining market, and significant operational challenges, the progress in disposing of and revitalizing existing assets and land fell short of expectations, failing to generate sufficient cash returns in a timely manner. Even worse, overall sales destocking remained sluggish, further exacerbating the pressure on operating cash flow. Proactively responding to market changes, the Group will optimize its business strategies to resolve current difficulties for new development opportunities. In terms of existing product sales, the Group will continue to expand high-quality channels and dynamically optimize its pricing system to accelerate destocking.

During the Year, the Group achieved contracted sales of approximately RMB763 million, contracted sales area of approximately 67,200 sq.m. and average contracted sales price of approximately RMB11,400 per sq.m.. During the Year, the majority of projects sold were located in Dalian (approximately 83.3 % of total contracted sales), Wuhan (approximately 4.7% of total contracted sales) and Hefei (approximately 4.4% of total contracted sales); while residential property sales accounted for approximately 79.5% of total contracted sales.

During the Year, the sales revenue from the property development segment was RMB1,190 million. The average sales price was RMB10,678 per sq.m., representing a year-on-year decrease of 41.8%, mainly due to different products carried forward during the Year. The projects carried forward during the Year were mainly residential properties and office properties. Revenue-recognized projects were mainly located in Dalian (76.5% of revenue), Zhengzhou (16.8% of revenue) and Chongqing (3.4% of revenue)..

Dalian

In 2025, impacted by macroeconomic cyclical adjustments, the Dalian real estate market remained in an adjustment period characterized by stabilization and recovery, with “stabilizing the property market” as the core theme. Market transactions in Dalian showed an initial period of stability followed by a cooling trend. Specifically, transactions of new properties decreased by approximately 45% compared to the previous year, with average prices declining by approximately 7%. Second-hand property transactions fell by about 25% compared to the previous year, with average prices persistently dropping by approximately 10%. Market pressures intensified further compared to the previous year. Transactions were heavily concentrated in leading brands and a select number of premium projects with product innovation advantages, while a vast number of existing old projects, ordinary products, and certain sub-markets faced increasingly severe pressure on destocking. The imbalance between rising new supply and persistently weak demand was becoming increasingly pronounced, with the overall market at a critical juncture of bottoming out and undergoing structural adjustment.

A look into the coming period reveals that the Dalian real estate market will have to confront the multiple challenges of insufficient demand, subdued sentiment, and high stock, leaving a fragile foundation for an overall recovery. Pressed by sustained new supply entering the market and the slow destocking of housing resources, market competition is set to intensify further, leading to more pronounced downward pressure on prices. Facing this tough landscape, the Group will double its efforts to enhance available cash flow by accelerating sales of the stock and increase sales revenue and cash collections. Additionally, it will ensure self-sufficiency in operating funds and strictly control operational and administrative expenses to prioritize survival and stability amidst the challenging market environment.

Management Discussion and Analysis – Business Review (continued)

II. Sales of Properties (continued)

Bucking the multiple external headwinds, the Group's high-quality, upgrade-focused residential project "Dalian Glory of the City", situated in the core area of Zhongshan District, achieved contracted sales of approximately RMB205 million for the year, with a sales area of approximately 9.2 thousand sq.m. and an average sales price of approximately RMB22.2 thousand per sq.m. Meanwhile, the Hekou Bay Core Park project within Dalian Tiandi, located in the High-tech District, achieved contracted sales of approximately RMB209 million for the year, with a sales area of approximately 18.3 thousand sq.m. and an average sales price of approximately RMB11.4 thousand per sq.m.. These projects continued to provide stable performance and cash flow for the Group.

The following table outlines the Group's contracted sales breakdown as at 31 December 2025:

Contracted Sales Details

	Sales Floor Area (sq.m.)	Sales Amount (RMB'0000)	Average Sales Price (RMB/sq.m.)	Percentage of Total Sales
Dalian	46,651	63,521	13,616	83.3%
Wuhan	6,317	3,586	5,678	4.7%
Shenyang	5,809	2,430	4,183	3.2%
Zhengzhou	–	15	–	0.1%
Hefei	5,064	3,393	6,700	4.4%
Chongqing	2,407	2,371	9,850	3.1%
Changsha	927	952	10,262	1.2%
Total	67,175	76,268	11,354	100.0%
Dalian Software Park	431	1,221	28,301	1.6%
Dalian BEST City	4,668	5,175	11,087	6.8%
Yida Information Software Park	9,838	9,935	10,099	13.0%
Dalian Tiandi	20,757	25,220	12,150	33.1%
Wuhan First City	6,317	3,586	5,678	4.7%
Changsha Yida & CSCEC Intelligent Technology Centre	927	952	10,262	1.2%
Zhengzhou Yida Creation City	–	15	–	0.1%
Chongqing Yida Innovation Plaza	2,407	2,371	9,850	3.1%
Hefei Industrial Project	5,064	3,393	6,700	4.4%
Shenyang Sino-German Yida Intelligent Technology City Creative Industrial Park	5,809	2,430	4,183	3.2%
Residential Properties outside Business Parks	10,957	21,970	20,051	28.8%
Total	67,175	76,268	11,354	100.0%
Residential Properties	43,669	60,623	13,882	79.5%
Office Properties	23,506	15,645	6,656	20.5%
Total	67,175	76,268	11,354	100.0%
Business Parks	56,218	54,298	9,658	71.2%
Residential Properties outside Business Parks	10,957	21,970	20,051	28.8%
Total	67,175	76,268	11,354	100.0%

Management Discussion and Analysis – Business Review (continued)

II. Sales of Properties (continued)

Information on Major Property Projects for Sale

(unit: '000 sq.m.)

Items	Interest held by the Group	Business type	GFA	Floor Area	Address	Construction Progress	Estimated completion date
Glory of the City Phase I	100%	Residences, apartments, shops, parking spaces	6.2	1.8		Completed	-
Glory of the City Phase II	100%	Residences, apartments, shops, parking spaces	11.6	2.5	Qingyun Street, Zhongshan District, Dalian, Liaoning Province	Completed	-
Glory of the City Phase III	100%	Residences, apartments, shops, parking spaces	31.4	5.3		Under construction	30 June 2026
Hekou Bay B025	100%	Residences, apartments, shops, parking spaces	14.6	3.1	Hekou Bay, High-tech District, Dalian, Liaoning Province	Under construction	30 June 2026
Zhengzhou Creation City #1	100%	Office buildings, shops	11.9	6.9	West of Zhengzhou University, High-tech District, Zhengzhou,	Completed	-
Zhengzhou Creation City #4 Section B	100%	Office buildings, shops	3.9	2.4	Henan Province	Completed	-

Management Discussion and Analysis – Business Review (continued)

III. Business Park Operation and Management

In 2025, the operation of business parks had to address increasingly complex challenges inherent in the “era of stock”. The lower-than-expected momentum of the global economic recovery, coupled with a deceleration in the growth rate of certain domestic industries, has led to a general weakening of corporate expansion appetites. The market focus has completely shifted to intense competition for a limited pool of existing tenants. Competition among business parks has evolved from a contest of location and pricing to a multi-dimensional battle encompassing industrial ecosystems, operational services, and comprehensive cost efficiency. At the same time, tenants have raised higher and more personalized requirements for business parks in areas such as industrial chain synergy, policy facilitation support, cost reduction and efficiency enhancement, as well as spatial flexibility. During the Year, the business team confronted multiple pressures, including increased leasing difficulties, a rising risk of losing quality tenants, and limited room for rental growth. This necessitated the need of innovation for the traditional operational model.

As of the end of the Year, the Group’s business park contracted operation and management area was approximately 76,000 sq.m. The income arising from business park operation and management services amounted to approximately RMB171 million, representing a year-on-year decrease of 18.1%, which was mainly attributable to the revenue reductions resulting from customers scaling down their business operations during the Year. The business team aimed to enhance the intrinsic value of the park and strengthen client stickiness by taking targeted steps to upgrade the industrial service module, thereby laying a new foundation for sustainable future growth.



Zhengzhou Yida Creation City

Management Discussion and Analysis – Business Review (continued)

IV. Construction, Decoration and Landscaping

In recent years, deeply affected by the overall downward trend of the real estate industry, the market has continued to shrink, and competition has become increasingly fierce. The volume of newly contracted external business of our group has shown a clearly shrinking trend year by year. During the Year, the total revenue from the construction, decoration and landscaping business was approximately RMB294 million, representing an increase of 12.9% as compared with the same period of the previous year, mainly due to the increase in the construction output value during the Year. Taking the Hefei project as a pivotal opportunity, the business team has organized a series of research and study activities centered around the “Passive, Smart and Healthy” premium housing standards. These initiatives are designed to align with industry trends, enhance our operational capabilities, and build momentum for the Company’s sustainable development.



Landscaping of Yida Core Park

Management Discussion and Analysis – Business Review (continued)

V. Land Reserves

As at 31 December 2025, the total GFA of the Group's land reserve was approximately 6.15 million sq.m., among which the land reserve in Dalian accounted for 76.1% of the total Group's land reserve. The GFA of land reserves attributable to the Group was approximately 5.62 million sq.m..

The following table sets forth a breakdown of the Group's land reserves as at 31 December 2025:

By City	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Dalian	4,684,885	76.1%	4,682,295	83.3%
Wuhan	618,681	10.1%	309,341	5.5%
Zhengzhou	270,343	4.4%	270,343	5.3%
Changsha	275,685	4.5%	133,856	2.1%
Hefei	136,284	2.2%	88,585	1.7%
Chengdu	65,980	1.1%	45,142	0.8%
Chongqing	75,828	1.2%	75,828	1.0%
Shenyang	24,812	0.4%	12,654	0.3%
Total	6,152,498	100.0%	5,618,044	100.0%

By Location	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Business Parks	5,357,021	87.1%	4,825,157	85.9%
Residential Properties outside Business Parks	795,477	12.9%	792,887	14.1%
Total	6,152,498	100.0%	5,618,044	100.0%



Dalian Software Park



Zhengzhou Yida Creation City

Management Discussion and Analysis – Business Review (continued)
V. Land Reserves (continued)

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Leasable/ Saleable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Business Parks				
Dalian Software Park				
Office	100%	621,253	–	179,500
Residential	100%	48,032	–	–
Subtotal		669,285	–	179,500
Dalian BEST City				
Office	100%	124,432	129,361	515,172
Residential	100%	132,528	6,457	23,816
Subtotal		256,960	135,818	538,988
Wuhan First City				
Office	50%	216,669	93,124	291,635
Residential	50%	17,253	–	–
Subtotal		233,922	93,124	291,635
Yida Information Software Park				
Office	100%	175,700	–	111,614
Residential	100%	62,655	55,990	–
Subtotal		238,355	55,990	111,614
Dalian Tiandi				
Office	100%	270,027	223,069	1,132,996
Residential	100%	90,693	–	–
Subtotal		360,720	223,069	1,132,996
Chengdu Tianfu Intelligent Science and Technology City				
Office	60%	–	52,093	–
Subtotal		–	52,093	–

Management Discussion and Analysis – Business Review (continued)
V. Land Reserves (continued)

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Leasable/ Saleable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	51%	110,938	–	164,747
Subtotal		110,938	–	164,747
Sino-German Yida Intelligent Technology City Creative Industrial Park				
Office	51%	–	24,812	–
Subtotal		–	24,812	–
Zhengzhou Yida Creation City				
Office	100%	99,823	10,820	159,700
Subtotal		99,823	10,820	159,700
Chongqing Yida Innovation Plaza				
Office	100%	75,828	–	–
Subtotal		75,828	–	–
Hefei Industrial Project				
Office	65%	–	136,284	–
Subtotal		–	136,284	–
Projects Within Business Parks Subtotal		2,045,831	732,010	2,579,180
Projects Outside Business Parks				
Dalian	100%	368,337	157,556	255,697
Chengdu	100%	13,887	–	–
Projects Outside Business Parks Subtotal		382,224	157,556	255,697
Total		2,428,055	889,566	2,834,877

Management Discussion and Analysis – Financial Review

Financial Review

Revenue

The sources of revenue of the Group include (1) income from sales of properties; (2) rental income; (3) income from providing business park operation and management services; and (4) income from providing construction, decoration and landscaping services. During the Year, the revenue of the Group was RMB2,062.72 million, representing a decrease of 26.0% from the corresponding period of last year. The following table sets forth a breakdown of the revenue during the Year:

	For the year ended 31 December			
	2025		2024	
	Amount RMB'000	% of total amount	Amount RMB'000	% of total amount
Sales income of properties	1,189,753	57.7%	1,846,033	66.2%
Rental income	407,773	19.8%	472,009	16.9%
Business park operation and management service income	170,754	8.3%	208,403	7.5%
Construction, decoration and landscaping income	294,437	14.2%	260,786	9.4%
Total	2,062,717	100.0%	2,787,231	100.0%

(1) Income from sales of properties

The Group's income arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Year was RMB1,189.75 million, representing a decrease of 35.6% from the corresponding period of last year, which was mainly due to the decrease in projects delivered during the Year.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Year amounted to RMB407.77 million. The decrease of 13.6% year-on-year was primarily attributable to widespread lease terminations and downsizing by multiple tenants in the park during the Year.

(3) Business park operation and management service income

During the Year, the income arising from business park operation and management services provided by the Group amounted to RMB170.75 million, representing a decrease of 18.1% from the corresponding period of last year. The decline was primarily due to the revenue reductions resulting from customers scaling down their business operations during the Year.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB294.44 million, a year-on-year increase of 12.9%, primarily due to the increase in the construction output value during the Year.

Management Discussion and Analysis – Financial Review (continued)

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB2,065.62 million, representing a decrease of 13.3% from the corresponding period of last year, which was mainly attributable to the decrease in revenue during the Year.

Gross Profit and Gross Profit Margin

The gross loss of the Group during the Year amounted to RMB2.91 million, representing a decrease of 100.7% from the corresponding period of last year, and the gross profit margin decreased to -0.1% during the Year from 14.5% in the corresponding period of 2024, which was mainly attributable to the decrease in corresponding average price of each product for sales of properties as compared to the same period last year and the further impairment provision recognised for the properties under development and completed properties held for sale during the Year.

Selling and Marketing Expenses

The selling and marketing expenses of the Group decreased by 30.6% to RMB53.24 million for the Year from RMB76.72 million in the corresponding period of 2024, which was mainly due to the decrease in sales agency fees and advertising costs during the Year.

Administrative Expenses

The administrative expenses of the Group amounted to RMB123.85 million for the Year, which remained at a similar level as last year.

Other Losses – Net

The net other losses of the Group for the Year amounted to RMB189.69 million, representing a decrease of RMB494.21 million from RMB683.90 million in 2024, which was mainly due to the litigation damages incurred in 2024.

Fair Value Losses on Investment Properties

The fair value losses on investment properties of the Group increased to the loss of RMB1,705.06 million during the Year from the loss of RMB1,024.28 million in the corresponding period of 2024, which was mainly due to the international clients relocating their operators during the Year amid global uncertainties, coupled with cost-optimization demands from certain clients who shifted business to lower-cost regions. These factors collectively led to widespread downsizing and lease terminations across business parks operated by the Group during the Year.

Finance Costs – Net

The net finance costs of the Group increased to RMB1,062.90 million during the Year from RMB804.56 million in the corresponding period of 2024, which was mainly due to the increase in interest expenses and decrease in interest capitalisation during the Year.

Share of Results of Joint Ventures and Associates

The Group's share of losses of joint ventures and associates increased to RMB24.07 million during the Year from RMB1.63 million in 2024, which was primarily attributable to the increase in share of the loss in Wuhan Software New City Development Co., Ltd..

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax credits of the Group during the Year were RMB92.44 million, representing a decrease of 103.79 million as compared to the income tax expenses RMB11.35 million for the corresponding period of last year, mainly due to the fair value losses on investment property, resulting in a reduction in deferred tax liabilities.

Management Discussion and Analysis – Financial Review (continued)

Losses for the Year

As a result of the foregoing, the Group recorded a loss before tax of RMB3,172.30 million during the Year as compared to the loss before tax of RMB2,313.64 million in the corresponding period of 2024. The increase in net loss was primarily attributable to the increase in the fair value losses on investment properties and a net rise in other losses during the Year.

The net loss of the Group increased to RMB3,079.85 million during the Year from RMB2,324.99 million in the corresponding period of 2024.

The net loss attributable to equity owners increased to RMB3,075.82 million during the Year from RMB2,335.11 million in the corresponding period of 2024.

Liquidity, Financial and Capital Resources

Cash Position

As at 31 December 2025, the Group had cash and bank balances of approximately RMB241.06 million (including restricted cash of approximately RMB125.79 million) (2024: cash and bank balances of approximately RMB373.80 million, including restricted cash of approximately RMB217.55 million).

Debts

As at 31 December 2025, the Group had bank and other borrowings of approximately RMB11,535.35 million (2024: approximately RMB11,670.88 million), of which:

(1) By Loan Type

	31 December 2025 RMB'000	31 December 2024 RMB'000
Secured bank loans	5,010,454	5,340,153
Secured other borrowings	4,234,014	4,119,741
Unsecured other borrowings	2,290,885	2,210,990
	11,535,353	11,670,884

(2) By Maturity Date

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within one year or on demand	11,535,353	11,618,346
In the second year	–	52,538
	11,535,353	11,670,884

Management Discussion and Analysis – Financial Review (continued)

As at 31 December 2025, the Group's bank and other borrowing amounted to RMB11,250.85 million, which were charged with fixed interest rate of 2%-12% per annum, with the remaining balances of RMB284.50 million charged with variable rates.

Debt Ratio

The net gearing (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 261.4% as at 31 December 2025, which increased by 108.8 percentage points as compared to 152.64% as at 31 December 2024.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2025, the Group had cash and bank balances (including restricted cash) of approximately RMB164,000 and approximately RMB120,000 denominated in Hong Kong dollars and United States dollars, respectively. The Group had borrowings of RMB1,872.82 million and RMB375.08 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management continues to monitor foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with commercial banks in the People's Republic of China (the "PRC") to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (i) registration of mortgage interest to the bank, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 31 December 2025, the Group provided guarantees of approximately RMB131.52 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2024: approximately RMB156.32 million). Besides, the Group provided guarantees to the extent of RMB31.96 million (2024: RMB56.11 million) as at 31 December 2025 in respect of bank loans granted to a joint venture.

Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other borrowings are included in note 30 to the financial statements.

Employees and Remuneration Policies

As at 31 December 2025, the Group had 289 full-time employees (31 December 2024: 348). The Group distributes remunerations to the staff based on the performances, work experiences of the employees and the current market salary level.

The Group regularly reviews the remuneration policy and plan and will make necessary adjustments to make it in line with the industry salary standards.

Environmental, Social and Governance Report

About the Report

A. Reporting Standards

This section is the Environmental, Social and Governance (“ESG”) Report (the “Report”) issued by the Group. The Report was prepared in compliance with the provisions of “Comply or Explain” in the Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) under Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Report

covers the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”). The Report aims to summarize the ESG-related policies, practices, performance and results of the Group during the Reporting Period. The Report is prepared according to the following reporting principles.

Materiality	The Group focuses on issues that may affect its business growth and are important to its stakeholders. Please read the ESG report in conjunction with the section headed “Materiality Assessment” for details.
Quantitative	Key performance indicators (“KPIs”) can be measured by relevant calculation methods, so that the ESG performance of the Group can be assessed and confirmed on an ongoing basis.
Balance	The information set out in the ESG report is based on the policies, documents and practices of the Group. The Report provides an unbiased picture of the ESG performance of the Group and areas for improvement.
Consistency	The Report uses methodologies same as previous years to provide meaningful comparisons of ESG data over time. Unless otherwise stated, quantitative KPIs are calculated by consistent methodologies. Reasons will be explained for any restated information published in the Report.

The scope of the Report covers the Group’s major businesses. During the Reporting Period, the Group’s major businesses include business park development and operations, sales of residential properties and office buildings within business parks and independent residences, business park entrusted operations and management, construction, decoration and landscaping services and property management service. The Report is published with the approval of Board who is subject to the consideration and confirmation of the Group’s senior management. For detailed information on the Group’s corporate governance during the Reporting Period, please refer to the section headed “Corporate Governance Report” in this Annual Report.

Awards & Honors

- Yida China was awarded the 12th place of the “Top 30 National Industrial Park Operators by Brand Influence” at the 2025 EH Consulting Industrial Park Innovation Development Conference;
- Zhengzhou Yida Creation City was awarded the “Top 10 National Outstanding Industrial Park Projects” at the 2025 EH Consulting Industrial Park Innovation Development Conference;
- The 14th China International Service Outsourcing Expo was held, and the Dalian Software Park was awarded the title of “Leading Advantage Park”;
- Wuhan NSP was awarded the “Leading Advantage Park” in the 2025 Digital Services & Outsourcing Leadership Awards by the China International Investment Promotion Association;

Environmental, Social and Governance Report (continued)

- Zhengzhou Yida Creation City was awarded the honorary title of “Advanced Unit of Project Construction”;
- Zhengzhou Yida Creation City was awarded the “Most Dynamic Science and Technology Park” for five consecutive years;
- Zhengzhou Yida Creation City is listed as a key leading enterprise in new services; and
- Zhengzhou Yida Creation City has been recognized as a Key Construction Project of Henan Province for seven consecutive years.

Sustainability Governance

Adhering to the concept of “city development through industry integration while creating value together through coordinated development”, the Group is committed to its social responsibility inherent to the process of development. By incorporating sustainability elements into its development projects, the Group aims to guide the long-term and healthy development of the industry and market, creating mutual long-term value to our stakeholders and shareholders.

Statement of the Board

The Board assumes the overall responsibility for the ESG management policies, strategies and performance of the Group. The Board values the importance of sustainability management work and has established an effective ESG management mechanism, forming an ESG governance structure with clear hierarchy and division of labour. The Board is responsible for (including) providing strategic ESG guidance, reviewing and approving ESG-related policies and goals, and approving the annual ESG reports.

During the Reporting Period, the Board incorporated ESG issues and matters into the agenda of its regular meetings, in which the Board established and reviewed ESG-related policies.

During the Reporting Period, the Board also identified and completed the assessment of ESG issues and established new ESG environmental targets of the Year. The Board has reviewed, discussed and confirmed the results of ESG work of the Year.

A. Sustainability Governance

As social responsibility is important to the Group, we are committed to building efficient and transparent governance and reducing negative impacts at the business level. We have established an ESG working group, and have formulated a top-down governance framework which can identify and review the overall sustainability risks of each business department. In addition, the Board also received regular reports from the Company on ESG work, and oversaw the overall ESG management of the Company.

We engaged an independent sustainability consultant to conduct a preliminary review on the soundness of our existing ESG reporting procedures and internal control of important environmental indicators, which laid a foundation for the validation of ESG reports over time.

B. Materiality Assessment

The Group engaged an independent sustainability consultant to conduct a materiality assessment with the objective of understanding and assessing ESG issues that are important to the Group and its stakeholders. As major businesses operated by the Group had no significant changes and the main stakeholders of the Group remained basically the same over the years, the results of material issues in the previous years continue to be relevant in this year.

Environmental, Social and Governance Report (continued)

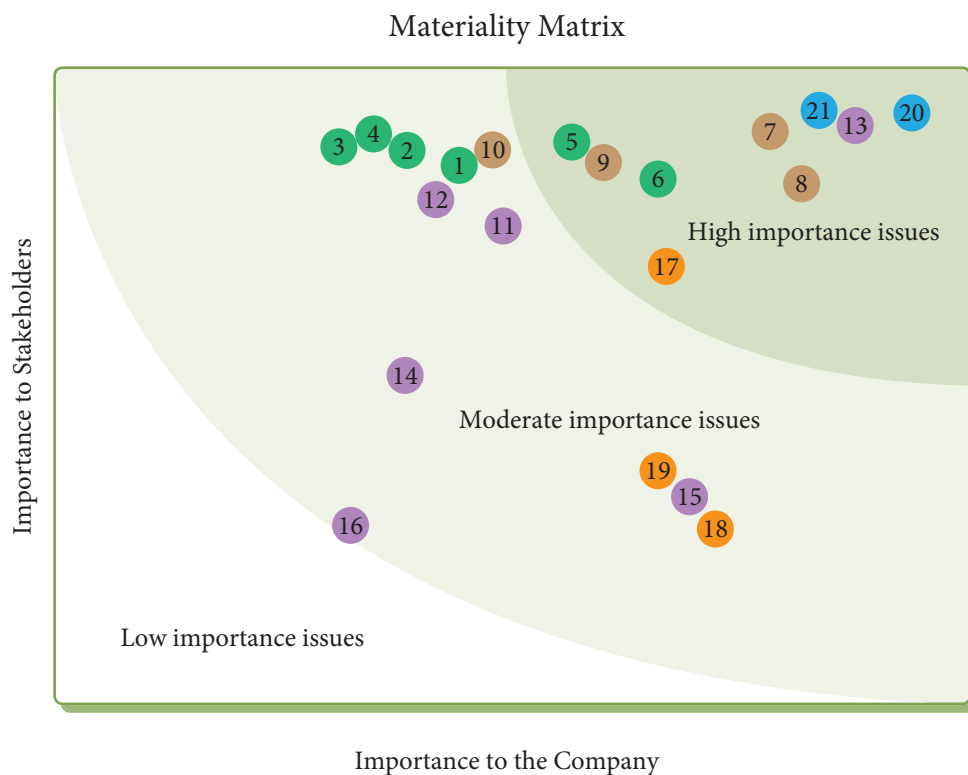
Stakeholders' Categories	Requirements and Expectations	Communication and Responses
Investors	 Operations in compliance with laws	 Continuously strengthening corporate compliance management
	 Market values creation	 Continuously achieving business performance
	 Strengthening risk prevention and control	 Advancing corporate governance and risk management
	 Information disclosure improvement	 Publishing regular reports (annual reports, interim reports, monthly sales data) and timely information disclosure
Customers	 Product quality and safety	 Continuously improving products and services and carrying out customer satisfaction surveys
	 Customer service optimization	 Strengthening customer privacy protection
	 Reliable privacy protection	
Employees	 Promotion on employee development	 Organizing employee trainings, improving promotion mechanism and building development platform
	 Protection of employees' rights and interests	 Developing competitive compensation system and benefits protection mechanism
	 Caring for employees' health	 Carrying out employees' activities and facilitating a safe and comfortable working environment
Suppliers	 Mutual benefits and win-win cooperation	 Improving supplier audit management mechanism
	 Promotion on industry development	 Participating in industrial organizations and promote industrial development
	 Forging a responsible supply chain	
Community	 Community service optimization	 Improving community care and community services
	 Community-building support	 Actively participating in charitable donations and social charity activities
	 Social charity commitment	
The Public	 Climate change responses	 Constructing low-carbon parks and green buildings, and lowering impacts of business activities on the environment
	 Local development support	
	 Provision of employment	 Participating in local construction and local procurement
		 Conducting campus and social recruitments

Environmental, Social and Governance Report (continued)

a. Determination on Material Issues

In determining the materiality of sustainability issues of the Group, the following steps were taken:

1. Identification of issues: The important sustainability issues of the Company are evaluated in conjunction with the concerns of stakeholders and the business nature of the Group, establishing a database of issues;
2. Prioritisation of issues: Internal and external stakeholder questionnaires were conducted, and the importance of each issue to the Company and stakeholders was respectively assessed, and prioritized;
3. Assessment on issues: The results of materiality will be assessed and confirmed by the Company's management and external experts collectively;
4. Reporting of issues: Collected information targeting at the identified materiality issues in the assessment and disclosed along with these material issues in the Report.



Environmental, Social and Governance Report (continued)

Materiality	Priority	Issue Number	Title of Issue	Scope
High importance	1	20	Compliant Operation	Governance
	2	13	Quality Control and Safe Production	Operating Practices
	3	21	Anti-corruption and Building	Governance
	4	7	Employee Benefits	Employment & Labour Practices
	5	8	Protection of Rights and Interests of Employees	Employment & Labour Practices
	6	6	Climate change responses	Environment
	7	9	Employee Trainings and Career Development	Employment & Labour Practices
	8	5	Environmental Protection	Environment
	9	17	Public Charity	Community
Moderate importance	10	10	Occupational Health and Safety	Employment & Labour Practices
	11	1	Development of Green Buildings	Environment
	12	11	Protection of Rights and Interests of Customers	Operating Practices
	13	12	Service Quality and Customer Satisfaction	Operating Practices
	14	2	Waste Management	Environment
	15	4	Energy Saving and Emissions Reduction	Environment
	16	3	Water Resources Management	Environment
	17	19	Promotion of Industry Development	Operating Practices
	18	15	Supply Chain Management	Operating Practices
	19	18	Promotion of Collaborated Local Development/Community Investment	Community
	20	14	Promotion of Quality and Efficiency Improvement	Operating Practices
	21	16	Acceleration of Digital Transformation	Operating Practices

Environmental, Social and Governance Report (continued)

Part I – Environment and Resources

The Group attaches great importance to environmental management, adheres to green development, and promotes green construction by adopting the construction concepts of energy saving and sustainable development. In order to promote the green and low-carbon development, the Group prioritizes the use of energy-saving process and environment-friendly new materials and makes good use of resources and energy to reduce the impact of its construction activities on the environment.

During the Reporting Period, the Group had no violations of laws and regulations and no individual cases of excessive or non-compliant discharges. In an effort to strengthen environmental management, landscaping projects and management activities of some parks comply with and obtained certification of the environmental management system required by the ISO 14001 standards.

This chapter responds to the following SDGs targets:

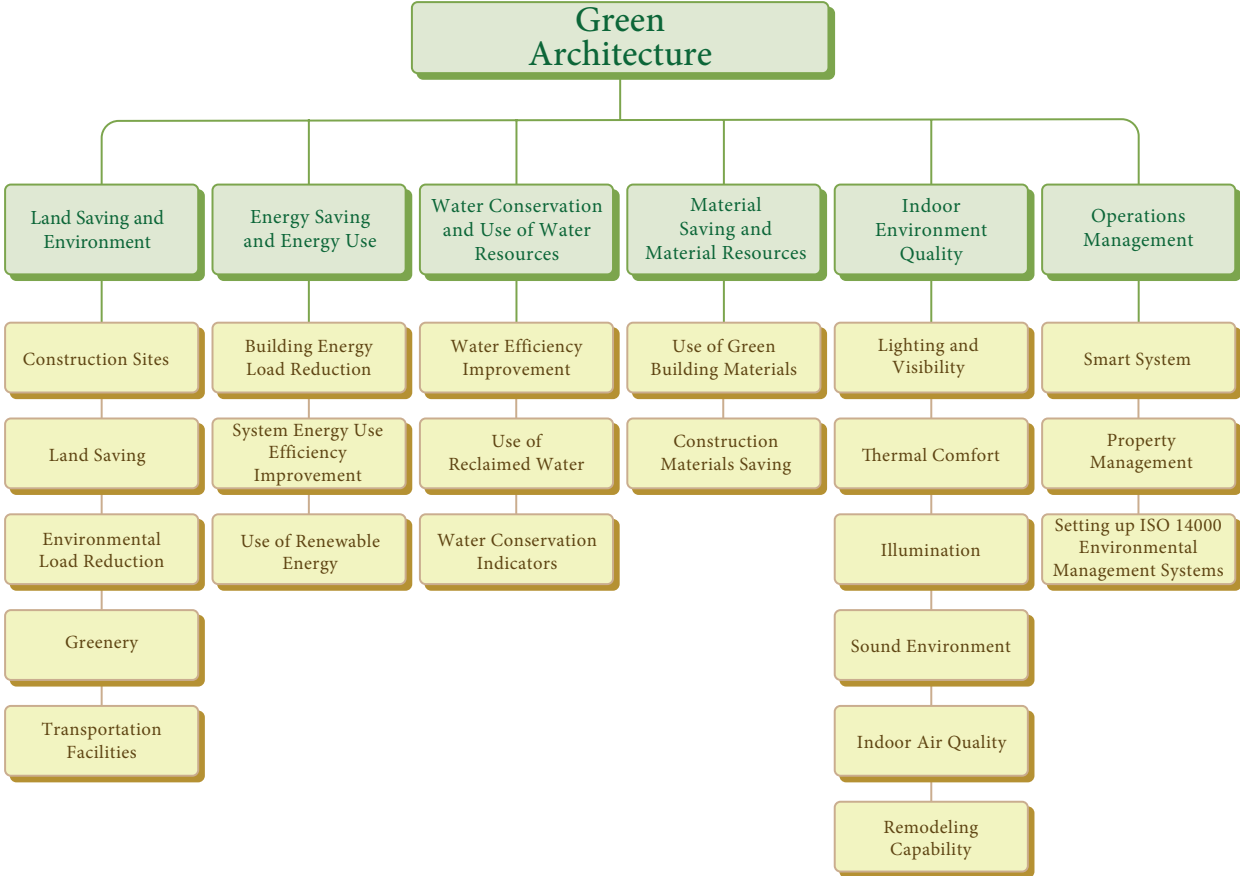


A. Green Architecture

a. Green Design

In line with existing national standards such as the Assessment Standards for Green Building of China and Technical Specifications for Green Building Assessment, the requirements of LEED certification of Silver standards, as well as green and energy-saving technology of the Group and routine energy-saving technical measures, the Group proactively applies cutting-edge green design concepts and technologies in the development and design of parks in terms of energy saving and consumption, water saving and water resources use and operations management, thereby lowering energy consumption in the whole life cycle of construction products and minimizing the impact on surrounding ecological environment to the greatest extent possible. In addition, we have also incorporated the “Muchengyi Index” to evaluate and consider whether or not the progress of different park development projects conformed to relevant ecological indicators, so as to ensure that our parks will achieve better green benefits compared to similar parks upon completion.

Environmental, Social and Governance Report (continued)



Yida China Framework on Green Design Standard

b. Green Buildings

The Group advocates for green buildings and believes that green buildings are the main trend of architectural development in the future due to the advantages in resource conservation, environmental friendliness, economic sustainability and social harmony. Therefore, the Group continues to promote green building-oriented development projects. For relevant residential projects, while complying with green building standards, the

Group has introduced green building elements in the project design and architecture, such as solar power generators, smart charging stations, energy management systems, energy-saving lighting, green roofs, rainwater recycling, and reusable and recyclable materials. In addition, we have submitted applications for ratings to obtain external recognition on our key building projects.

Environmental, Social and Governance Report (continued)

Summary of Projects with Green Building Certification				
Rating of Green Building	City	Name of Project	GFA (10,000 m ²)	Project Progress
1-Star Green Building	Changsha	Yida & CSCEC Intelligent Technology Industrial Park	6.06	Completed
1-Star Green Building	Dalian	Hekou Bay A1\A2\A3	11.5	Completed
1-Star Green Building	Dalian	Hekou Bay E1\E2\E3\A4\A5\A6\A7(A06-A12)	27.8	Completed
1-Star Green Building	Dalian	Hekou Bay A9(B10)	12.5	Completed
1-Star Green Building	Wuhan	Buildings B2~B14, C1~C16, Wuhan First City Phase II	21.67	Completed
1-Star Green Building	Chongqing	Chongqing Innovation Plaza Industrial Park	10.3	Under construction
2-Star Green Building	Chengdu	Yida Tianfu Intelligent Science and Technology City	2.17	Completed
3-Star Green Building	Wuhan	Building B1, Wuhan First City Phase II	0.66	Completed
2-Star Green Building (Model Project of Green Building in Dalian)	Dalian	Glory of the City	49.73	Under construction
1-Star Green Building (Model Project of Green Building in Dalian)	Dalian	Hekou Bay B1(B05)	14.6	Under construction
2-Star Green Building	Hefei	Yida Smart Science and Technology City No. 1 R&D Building	2.3	Under construction
1-Star Green Building	Hefei	2#, 4#, C-1#~C-6#, D1#~D17# R&D Building	4.6	Under construction
1-Star Green Building	Changsha	Yida & CSCEC Intelligent Technology Industrial Park Area C39-DE	4.89	Completed construction

c. Green Construction

The Group has formulated the systems of *Construction Project Quality Objective Management* and *Construction Quality Management* to continuously optimize the construction environment and properly manage the construction process, thus reducing environmental pollution problems that may be caused in the construction process. The Group also requires contractors to strictly abide by national and local environment laws and regulations

during the construction of the project, and strictly supervises and inspects the green construction processes such as dust prevention facilities, noise and sewage treatment, waste treatment, water saving and energy conservation, so as to create a safe, healthy and clean construction environment. In addition, Yida Construction, a subsidiary of the Group, has been certified under ISO 14001 environmental management system.

Environmental, Social and Governance Report (continued)

Dust and Noise Control	<p>The Group has formulated the Special Construction Program of On-Site Dust Management and the Pollution Prevention Program of Construction Site Vehicles, and has taken a series of effective control measures to ensure that each project meets construction dust standards and maintains a sound condition in construction site. We also require the construction entities to set up noise and dust monitoring equipment in the construction process, which can monitor the air quality and noise intensity of the surrounding area of construction sites in real time and send warnings on pollution control and treatment if exceeding threshold. In addition, all discharges shall be subject to valid permits and licenses as well as in the presence of operating watering or spraying (sprinkling) dust reduction measures, functioning sound insulation equipment and other measures.</p>
Hazardous and Non-hazardous Waste Treatment	<p>The Group is committed to reducing waste generated in construction projects and property management, and has formulated a series of measures to ensure proper treatment of waste. Construction entities are required to classify different types of wastes such as construction and domestic wastes; and take reasonable measures to recycle different building materials in a timely manner; reuse construction waste, so as to reduce waste of resources; non-reusable construction waste shall be treated by qualified third-party cleaning company certified by the local environmental and health department, thus ensuring all waste is properly processed to avoid damaging the environment.</p>
Water Resources Management	<p>The Group strives to improve its water resource management, reduce water consumption, and constantly enhance the capability of its industrial parks in processing reclaimed water and recycling rainwater to reduce the risk of water shortage. In addition to water conservation, we have formulated sewage treatment measures. The sewage generated in the construction process shall be treated in a sedimentation tank before discharged into the municipal sewage pipeline, and an online monitoring system for sewage treatment shall be installed to ensure that the sewage discharged into the municipal sewage pipeline meets the national water quality standards. During the Reporting Period, the Group had experienced no difficulties in obtaining suitable water sources.</p>
Energy Conservation and Consumption Reduction	<p>The Group continues to optimize the control of energy-saving lighting, upgrade the electrical lighting system, and encourage the use of the intelligent control and upgrading of lighting system. In addition, the Group actively uses renewable energy and installs solar water heating systems on usable roofs of industrial parks to convert solar energy into heat and provide clean hot water for users. In order to ensure more accurate monitoring of energy consumption, the Group has established an energy management platform and installed automatic energy consumption monitoring equipment on cold and heat sources, transmission and distribution systems, lighting, office equipment and hot water consumption equipment for real-time monitoring of energy consumption data. Therefore, we can more effectively manage and plan the energy consumption of each process and accurately review and improve the current energy-saving measures, thus improving the environmental management performance of the Group.</p>
Other Environmental Protection Measures	<p>The Group requires the construction entity to maximize the protection the original landscape and to increase vertical maintenance structures to reduce the disturbance of natural soil. In addition, we also encourage employees to carry out activities such as technological transformation, process optimization, energy saving and consumption reduction, innovative management and waste reuse and recycle, etc.</p>

Environmental, Social and Governance Report (continued)

d. Green Office

In terms of green office, the Group has established relevant requirements on energy conservation under its office management system. Meantime, the Group promotes the “Clean Breeze Action • Civilization Convention (清風行動•文明公約)” activity in its ordinary management in line with the principle of “environmental protection and resource conservation”, calling on all employees to

actively participate in the effective conservation and utilization of office resources. In addition, the Group is planning to install roof distributed photovoltaic energy-saving solutions for the office space, and applies sensors and smart management platforms in lighting and indoor heating, in a bid to further conserve energy, mitigate emissions, reduce costs, and increase efficiency.

Saving electricity: Strengthening the energy-saving management of lights, reducing the power consumption of lighting equipment. Making full use of natural light, turning off lights when leaving, turning on air conditioners according to needs, and turning them off before getting off work.

Water conservation: Strengthening the daily maintenance and management of water equipment, saving water, and avoiding water weeping, bubbling, dripping, leaking and long running.

Reducing office consumables: Strengthening the management of office supplies consumption, printing on both sides of paper, set up a recycling place for used copy paper, and reusing low-value consumables such as file pockets and paper clips.

e. Green Operation

As an enterprise focusing on real estate development projects, the Group actively shoulders its corporate environmental responsibility, relentlessly implements green design, construction and operation and other measures, and strives to minimize its impact on the environment. We actively promote the development of low-carbon, green and healthy buildings and carry out strict environmental protection management at all major operating sites. During the Reporting Period, in terms of greenhouse gas (“GHG”) emissions, we further improved the energy management level of the construction process in the park and reduced the carbon emissions during the construction process. We encouraged employees, suppliers, property owners and other customers to reduce carbon emissions in their daily business activities. In terms of energy and resource use, we increased the use of renewable energy as far as possible, such as the use of solar energy. In addition, we comprehensively provided electricity-saving management reminders for reasonable control of air-conditioning temperature; use of LED energy-saving lighting, intelligent control, use of variable-frequency light sources, and inductive control of brightness; turning off electrical appliances not in use, putting up environmental protection

notices at construction sites, and raising workers’ awareness of environmental protection. In terms of water resources management, the Group has also continuously strengthened the ability of the park to treat reclaimed water and recycle rainwater, so as to achieve rainwater absorption, storage, purification and reuse, and reduce the risk of water shortage. We strictly comply with the Environmental Protection Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China, the Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution, the Water Law of the People’s Republic of China, the Integrated Wastewater Discharge Standard, the Standard for Pollution Control on Hazardous Waste Storage and other laws, regulations and standards in relation to the discharge of waste gas and GHG, the discharge of pollutants into water and land, and the generation of hazardous and non-hazardous wastes, which have a significant impact on the Group. During the Reporting Period, the Group did not violate the above laws and regulations that have a significant impact on the Group.

The Group has further established the following 5-year targets by 2026, against the baseline in 2022:

Environmental, Social and Governance Report (continued)

GHG emissions	GHG emissions intensity will decrease by 15%
Energy and resource use	100% of lamps in commercial operation projects will be LED; all of the projects will be operated by the intelligent energy management system
Water resources management	The water consumption intensity of projects in the industrial park will decrease by 8%, and there will be a 3% increase in volume of water recycled
Hazardous and non-hazardous waste management	The annual diversion rate of construction waste will be 70% or more

f. Climate Change Responses

Phased Approach to Climate Disclosures

In accordance with the HKEX's ESG Reporting Code, the Group has adopted a phased implementation approach for its climate-related disclosures. While we provide transparency on governance and risk management, we have applied specific implementation reliefs for several quantitative metrics to ensure that the information disclosed is accurate and meaningful for our business.

Application of Reliefs

The Group has applied the following reliefs permitted by the Stock Exchange:

- **Financial Effects Relief:** We provide qualitative assessments on climate impacts. Quantitative financial data is currently omitted.
- **Capabilities Relief:** Climate resilience is assessed through qualitative scenario analysis rather than complex financial modeling, which is more commensurate with our current resource allocation.
- **Reasonable Information Relief:** Certain value chain data, such as Scope 3 emissions, is not disclosed this year as it cannot currently be obtained without undue cost or effort.

Future Roadmap

The Group intends to enhance its reporting standards over time. In the short term, we will continue to monitor carbon accounting standards in industry. In the medium term, we will evaluate the feasibility of integrating climate related information into our internal tracking systems as our property portfolio evolves.

Governance

The Board is responsible for overseeing the Group's climate strategy. To ensure effective oversight, the Board assesses internal knowledge regarding GHG emissions and may consult external ESG advisors to understand regulatory requirements. Training is provided to management on relevant areas to ensure the capacity to address climate risks. Management provides updates on relevant data and climate change risk analysis during periodic ESG related meetings and discusses climate-related risks and opportunities. This ensures informed decision making regarding the Group's climate strategy. Strategic planning incorporates climate considerations, such as the potential impact of extreme weather on our properties. Management reviews emissions data and evaluates potential operational impacts. Decisions incorporate climate factors by evaluating tradeoffs, such as the long-term benefits of energy efficiency versus upfront costs, ensuring a proactive approach to managing climate impacts.

Strategy

The Group aims to enhance its business resilience to climate change. We have refined our risk assessment procedures to analyze the potential impacts of climate change on our business and value chain. During the Reporting Period, the Group has conducted qualitative climate scenario analysis to identify and analyze potential physical and transition risk more in depth. To assess related risks, the Group references the Intergovernmental Panel on Climate Change ("IPCC") common socio-economic pathways (SSP1-1.9, SSP5-8.5) and conducts climate scenario analysis based on different rates of global average temperature rise to identify potential risks and opportunities, not limited to ESG-related aspects, assesses the impact of various climate change risks on its business, strategy, and finances. Based on this, the Group formulates corresponding policies and strategies to further enhance its ability to respond to climate change. The results of this work are as follows:

Environmental, Social and Governance Report (continued)

Risk Type	Risk Factor	Risk Description	Mitigation Measures
Physical Risks	Extreme Weather (e.g., typhoons)	<ul style="list-style-type: none"> Climate change causes more frequent and intense extreme weather events, such as typhoons, floods, and torrential rains. Under extreme weather, it may affect the production and transportation of our upstream materials, delay the progress of construction projects, raise the cost of our maintenance and construction assets, and increase asset depreciation risk. 	<ul style="list-style-type: none"> Proactively formulate prevention and control measures and plans for extreme weather and takes earnest measures to minimize the damage to the interests of all stakeholders. In particular, the Engineering Department is required to organize regular fire and flood emergency drills to enhance the awareness and capability of construction workers in responding to extreme weather.
	<ul style="list-style-type: none"> Low-to-medium risk level Short-to-medium term¹ 		
Transition Risks	Policies and Laws	<ul style="list-style-type: none"> The Stock Exchange requires listed companies to enhance climate-related disclosures in their ESG reports, which may increase related compliance costs. Failure to meet climate change compliance requirements may expose the Group to claims and litigation risks, potentially leading to a decline in corporate reputation. 	<ul style="list-style-type: none"> The Group will regularly monitor existing and emerging climate-related trends, policies and regulations and obtain compliance advice where necessary to avoid reputational risks due to delayed response.
	<ul style="list-style-type: none"> Low-to-medium risk level Short term¹ 		
	Market Changes	<ul style="list-style-type: none"> During the transition, market demand for low-carbon, green buildings, etc., may present opportunities. If the Group fails to respond to consumer and business client choices, it may lose some market share. 	<ul style="list-style-type: none"> Improving the energy management and reducing carbon emissions in the construction process, setting up energy consumption monitoring systems, and reducing energy waste in the operation process to reduce GHG emissions. The Group is committed to seizing emerging business opportunities, keeping pace with the times, and seeking opportunities for development.
	<ul style="list-style-type: none"> Low-to-medium risk level Long term¹ 		
Opportunity Type	Opportunity Description	Potential Impact	
Policy and Market Opportunity	Strengthening the management and research of green buildings, and enhancing the energy efficiency of buildings.	Echoing customer demand for low-carbon and green buildings, thereby bringing potential business opportunities to increase revenue.	
<ul style="list-style-type: none"> Low-to-medium risk level Medium-to-long term¹ 			

Note:

- The timeframe for risk factors refers to the period during which climate-related risks and opportunities may affect the Group's operations. Short-term is defined as 1 to 3 years, medium-term as 3 to 5 years, and long-term as 5 to 10 years.

Environmental, Social and Governance Report (continued)

Business Model and Value Chain

The Group primarily involved in property development, property investment, business park operation and management, property construction, decoration and landscaping. Climate related risks and opportunities are concentrated in our property assets, where physical risks (such as flooding or extreme heat) could impact building integrity, and transition risks could affect operational costs.

Financial Impacts

The Group integrates sustainability into its property management strategy. While we monitor climate related factors, we have not identified any material current financial effects on the Group financial position, performance, or cash flows. Any environmental expenditures have been part of regular maintenance and do not represent a deviation from normal operational spending. Furthermore, there is no significant risk of a material adjustment to the carrying amounts of our assets or liabilities in the next reporting period due to climate related matters. Looking ahead, the Group does not anticipate any material financial impacts in the short to medium term. We expect to manage any moderate increases in energy costs or compliance requirements through standard efficiency improvements. While we may evaluate energy efficient upgrades for our properties in the future, the quantitative impact is not separately identifiable at this stage and is expected to be managed within our normal asset replacement cycles.

Risk Management

Climate-related Risk Management Process

The Group has incorporated climate related considerations into its daily operations and risk management system. The processes used to identify and monitor these risks are integrated with our overall framework, with management responsible for overseeing sustainability-related factors.

Inputs and Parameters

The risk management process utilizes specific inputs to monitor risks tied to our property portfolio, including but not limited to building utility and energy usage records, and regulatory updates on green building standards and carbon policies.

Use of Scenario Analysis

As disclosed in the “Strategy” section, the Group conducted climate scenario analysis during the Reporting Period, utilising scenarios such as SSP1-1.9 and SSP5-8.5 from the IPCC to better understand potential physical and transition risks. The outcomes of this scenario analysis inform the identification of climate-related risks and are integrated into the Group’s risk assessment processes.

Assessment and Prioritisation

To assess risks, the Group evaluates qualitative factors such as regulatory trends. Based on this assessment, the potential impact of climate-related risks during the Reporting Period was considered insignificant relative to the Group’s overall scale when compared to core operational and financial risks. Climate-related risks are therefore considered a lower priority but remain under continuous monitoring.

Monitoring and Opportunities

Management reviews property efficiency metrics and regulatory developments on a periodic basis to identify any changes in risk exposure. Our process for identifying opportunities is aligned with our strategic planning, focusing on market trends.

Changes from Previous Reporting Period

This is the first reporting period where the Group has formally conducted climate scenario analysis and extended its risk management processes to include the specific inputs and parameters noted above. No other significant changes were made to the risk management processes compared with the previous reporting period.

Integration with Overall Risk Management

The processes for managing climate related risks and opportunities are integrated into the Group enterprise risk management system. This ensures that environmental factors are considered alongside other business risks during investment planning and property management decisions.

Metrics and Targets

GHG Emissions

As the Group relies on collaboration with professional service providers and property management partners, Scope 3 emissions are expected to represent a portion of our carbon footprint. Based on our current activities, these emissions include, but are not limited to, purchased goods and services (Category 1), capital goods (Category 2), waste generated in operations (Category 5), and business travel (Category 6). The Group is currently evaluating data availability and is committed to disclosing Scope 3 emissions in the future once the data collection framework for our property portfolio is finalized.

Environmental Targets

The Group has established GHG emission reduction targets. Please refer to the “Green Operations” section for details.

Capital Deployment

During the Reporting Period, the Group did not identify any capital expenditure, financing, or investment specifically targeting climate-related risks and opportunities.

Environmental, Social and Governance Report (continued)

Remuneration

The Group has not incorporated climate-related factors into its remuneration policy. Our current compensation structure does not include incentives or adjustments based on environmental performance metrics. These factors are managed as part of our overall operational strategy, rather than through employee compensation structures.

Internal Carbon Price

The Group does not currently apply an internal carbon price to its operations or investment decisions. Given the nature of our property leasing business and the current scale of our emissions, the Group has determined that an internal carbon price is not a material or necessary tool for driving reductions at this stage.

Part II – Talents and Communities

Employees are a valuable resource of the Group as well as an important factor in the success of our business. Under the “people-oriented” talent strategy, the Group continuously nurtures talents and builds a stable professional team. It also fully respects and cares for the well-being of its employees, protects their occupational health and safety, and provides diversified and specific training for employees in different positions. It is committed to providing a workplace that can help employees fulfill their aspirations.



A. Promoting Health, Safety and Well-being

The Group understands that a working environment that protects the health and safety of its employees is essential to the Group’s operation and management. Therefore, we take different safety measures to manage and minimize or eliminate potential safety hazards based on industry standards and in consideration of relevant actual conditions in the project operation locations. We strictly comply with the *Law of the People’s Republic of China on Work Safety*, the *Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases*, other laws and regulations, and continuously improve the *Quality, Environment and Occupational Health and Safety Management Manual* and other relevant rules and systems, to achieve the closed-loop management of all processes and ensure safe production.

a. Work Safety and Occupational Health

The Group has formulated the *Construction Quality Management System* to define the content of project management, build a safe production management system and standardize the safe production operation while ensuring the quality and increasing the quantity. In addition, the Group has the *Quality, Environment and Occupational Health and Safety Management Manual* as its management policy, which applies to the management of the Company’s construction projects and service processes and should be strictly complied with by leaders and employees at all levels. Some of the parks of the Group have also attained OHSAS 18001 occupational health and safety management system certification.

During the Reporting Period, the Group did not experience work-related fatalities.

In order to reduce safety risks and avoid accidents, and develop and enhance employees’ awareness of health and safety, the Group regularly organizes fire safety training for its employees. We also provide new employee training for each new employee, including safety education, so that employees can fully grasp relevant basic health and safety knowledge and have the ability to deal with emergencies before taking up posts. Meanwhile, we require the submission of process documents including the Project Site Inspection Record Sheet, the Project Construction Log and the Minutes of Regular Engineering Meeting for projects to make clear the frequency, content and standards of safety inspections at all levels, ensure the normalization of safety supervision and inspection, and the effective management of safety civilization.

In addition, the Group has set up an emergency aid leading team to shoulder the response and treatment responsibilities of different emergencies and safety accidents, simultaneously, the emergency plan, reporting mechanism and handling system and management regulations are constantly improved. In the event of emergency, we take prompt rescue and treatment actions following the emergency plan to effectively protect personal safety of employees subject to accident level.

Meanwhile, the Group also held training in occupational safety and health from time to time.

Environmental, Social and Governance Report (continued)

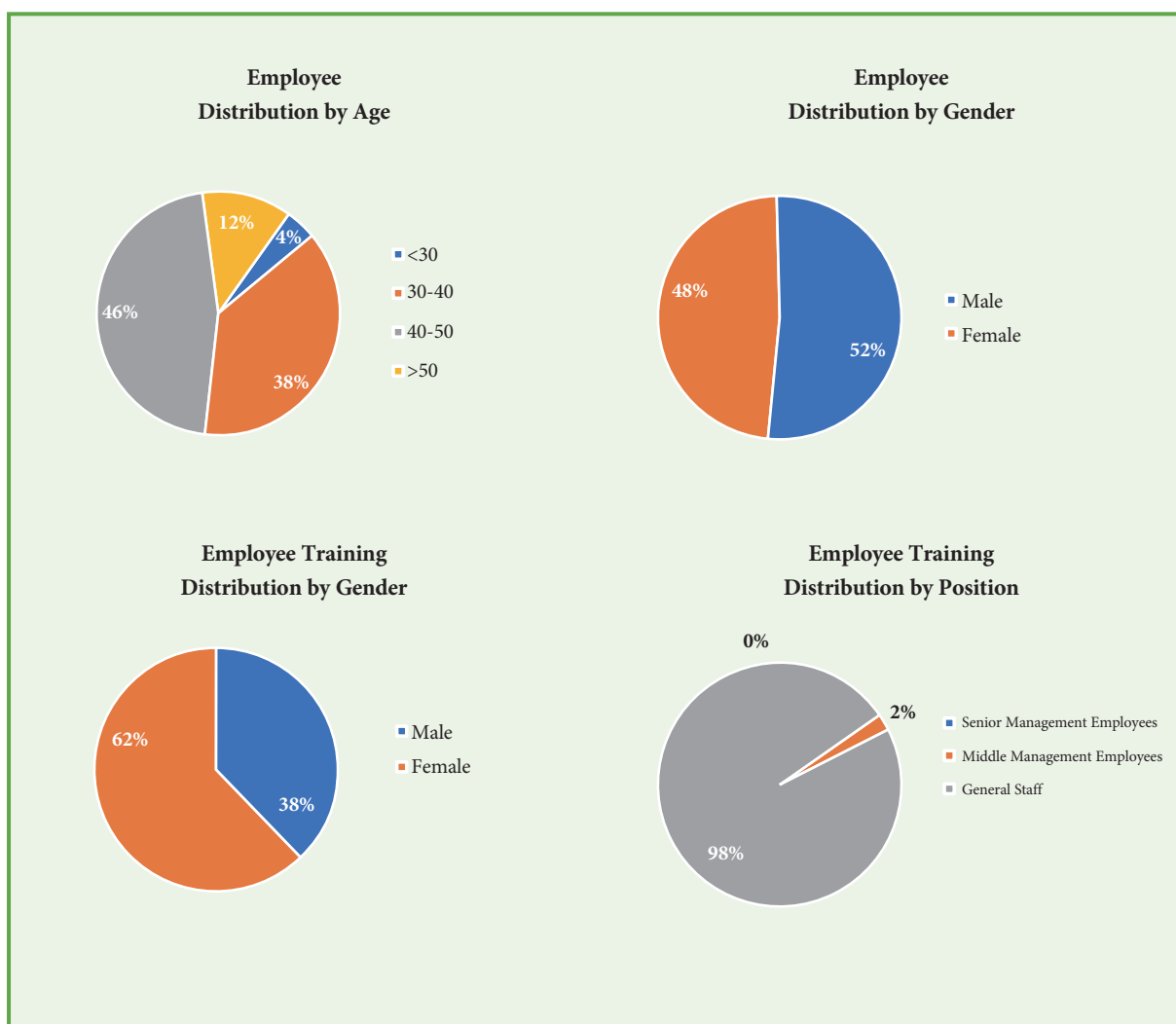
B. Recruitment Management and Talent Attraction

The Group has policies on employee benefits and employment. The policies and rules on remuneration, benefits and dismissal, recruitment and promotion, working hours, labour leave, equal opportunities, diversity and anti-discrimination are specified in the Yida China Staff Handbook for employees to understand. The Group also updated the Yida China Staff Handbook to more clearly and precisely standardize the work management requirements of the Group's employees and to increase the awareness of legal risks.

The Group strictly adheres to the principles of fair, impartial and open recruitment and strictly prohibits

the employment of child labor or any form of forced labor. The Group strives to build a diversified working environment, promote equal and diversified employment opportunities, and adopt a zero-tolerance attitude toward any form of discrimination. In recruitment, selection and promotion, the Group undertakes not to discriminate against employees on the ground of gender, age, religion, ethnicity, family and health status.

In terms of internal promotion opportunities, the Group has an equal and transparent promotion mechanism. We assess the performance of our employees on a semi-annual basis according to key indicators and work plans. The assessment results are used as reference criteria for adjustments to employee salaries, promotions and positions. Detailed assessment and promotion criteria are set out in the staff handbook for employees to understand.



Environmental, Social and Governance Report (continued)

In terms of employee communication, the Group attaches great importance to employees' opinions. We accept and respond to employees' opinions in an open, free and earnest manner. Employees can submit their opinions to the Human Resources Department, the Administration

Department or leaders. Meanwhile, they can also report problems to the Labour Union of the Group. We actively create a democratic atmosphere in the Group and enhance employees' sense of belonging.

Communication Channel	Units Receiving Communication	Descriptions of Communication
Public email	Human Resource Department	Communication relating to onboarding issues of employees
Human resource management specialist	Human Resource Department	Maintaining good relationships with employees and collecting demands
Human resources interview	Training interviews Performance interviews	Conducted annually in mid-year and the end of the year respectively for purposes of understanding and communicating issues in processes of training and performance evaluation
Direct complaint	Group Vice President or Chairman Human Resource Department Labour Union	Ensuring that there are formal communication channels for employees to express their opinions on and report issues which are detrimental to the interests of the Company and individual employee
Election of union representatives	Labour Union branch	Communicating and overseeing policy matters related to employee benefits
Employee representative assembly	Labour Union	Covering most employees, and held every 1-2 years, so that employees understand and monitor the implementation of policies of the Company

In terms of employee care, the Group actively communicates with employees at all levels to understand the needs of different employees and provide effective care and benefits for employees with different needs.

C. Training and Development

During the Reporting Period, the total number of training hours of employees of the Group reached 235 hours; the

total number of training participants was 89, accounting for 30.8% of the total number of employees.

The following is an extract of the training the Group provided to employees:

Name of Training System	Target Group	Objectives of Training	Brief Descriptions of Training Course	Form of Training
New employee training	New employees	Facilitating the integration into the Company as soon as possible and gaining familiarity with the working model and development plan of the Company	Corporate introduction, brand culture, human resources, internal control, finance and other courses	Offline training Online courses Online examination
Professional training	Employees of each professional line	Review of professional courses, and improvement in the curriculum objectives of each specialty and level according to the business operation of enterprises	Learning map	Offline training Online courses Online examination
New generation project	Project management trainee (recent graduate employee)	Nurturing professional/management talents in 5 years to provide a backup force for business development	Project management-related courses and practical learning	Offline training Online courses Field practice

Environmental, Social and Governance Report (continued)

D. Anti-corruption

The Group persists in ethical operations and regards good corporate governance as an important cornerstone for the sustainable development of the Company. The Group requires its employees to hold to a high standard of integrity and ethical conduct, and strictly prohibits any corruption and fraud. We strictly comply with the laws and regulations relating to bribery, extortion, fraud and money laundering, including the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Prevention of Bribery Ordinance*. We established the general Integrity Cooperation Protocols to expand the scope of application at all levels to cover non-industrial contracts. In addition, the Group also actively conducts routine and special audits and whistleblowing integrity surveys, and also conducts online and offline anti-corruption and integrity training and promotion activities from time to time. All employees of the Group should take the initiative to avoid any conflict of interest or abuse of position or power in the Group for personal gain. Therefore, the Group opposes customers giving gifts or employees receiving gifts, so as to avoid unnecessary conflict of interest. All employees are required to hold to the highest standard of professionalism in the performance of their duties and are not allowed to gain a competitive advantage or promote the business interests of the Company through unethical or illegal business activities.

We provide a wide range of reporting channels for employees, suppliers, investors and other stakeholders to ensure that reports are quickly and accurately delivered to the Audit and Supervision Department of the Group.

Reporting Channel	Details
E-mail	jubao@yidachina.com
Telephone	041184450009
Mail	Address: Block 4, Yida Plaza, 99 Northeast Road, Shahekou District, Dalian
Internal	Link in the "Yida Integrity" Module in "V Portal" of the OA System of the Company

Acceptance of reports: The Group attaches great importance to reports of various stakeholders on corruption and fraud. Through standardized management, we are able to receive reports in a timely manner. Meanwhile, we link the reporting closure rate with employee performance to ensure that all complaints are addressed and responded to.

Report review: We adhere to the philosophy of "no misjudgment, no omission" to ensure the authenticity of the investigation. After receiving the reports, the Audit and Supervision Department initially verifies the contents and information of the report submitted by the reporter. If the evidence is sufficient, the Audit and Supervision Department will immediately set up a project to carry out an in-depth investigation.

Reporter protection: After receiving a report, the Audit and Supervision Department will appoint a special person to contact the reporter and explicitly require relevant personnel to strictly keep confidential the contents of any report and the information of the reporter.

During the Year, we strengthened the construction of clean organizations by conducting routine audits, special audits and report and honesty investigations.

Environmental, Social and Governance Report (continued)

E. Contribution to the Society

The Group has always adhered to the belief of “corporate survival for society” and paid close attention to the needs of all sectors of society while developing the enterprise, and actively fulfilled its social responsibilities. The Group is committed to bringing a positive impact to society, actively participates in social welfare and charity, and continuously enriches and improves the cultural and living standards of the people.

“Voice of Yida” Series of Cultural and Public Welfare Activities

Created in 1994, the “Voice of Yida” series of cultural and public welfare activities, which are diversified and comprehensive, have been held in various communities. In order to enrich and enhance the cultural life of the citizens, the Group invited world-renowned orchestras and conductors to perform high-quality classical music at hundreds of events in China. We invite people from all walks of life and organizations, including volunteers,

teachers, traffic police, children and teenagers who live in remote mountainous areas and love art, etc., to participate in the new year’s concert held by us every year.

Meanwhile, the art education program of “Voice of Yida – Love Music Room Project” brings music to disadvantaged areas in Chinese Mainland. We uphold the philosophy of spreading love and care through music and make contributions for students in remote and poor areas. So far, “Voice of Yida – Love Music Room Project” has covered 6 provinces and 12 cities, making donations for the construction of music classrooms for a total of more than 170 rural primary schools, benefiting more than 70,000 rural children.

The Voice of Yida cultural public welfare initiative, guided by the theme “Pursuing Dreams, Delivering Sincerity,” has evolved alongside the Group’s nationwide expansion. From its initial performances solely in Dalian, the program has now expanded to a multi-city touring format across China.



Feidong • Voice of Yida 2026 New Year Concert



Voice of Yida 2026 New Year Concert

Environmental, Social and Governance Report (continued)

Part III-Operation Management

The Group continuously optimizes its systems and processes to achieve win-win cooperation. Through communication and strategic cooperation with different suppliers, and a focus on industrial learning and research, the Group further promotes the performance of social responsibilities in the value chain.



A. Supply Chain Management

The Group believes that long-term and stable suppliers can effectively assist the Group in maintaining the quality of products and services. In response to the Guiding Opinions on Actively Promoting Supply Chain Innovation and Application issued by the State Council, the Group seizes new opportunities for supply chain development, actively moves beyond the traditional purchase management scope, innovates and builds a modern smart supply chain system. In 2019, the Group put into use the Ming Yuan Cloud purchase system to achieve online operation management of the entire supply chain from supplier admission, purchase planning, bidding and purchase, and signature of contracts to supplier evaluation. The Group promotes simultaneous processing via mobile phone and computer

to achieve “mobile integration” of applications. The Group comprehensively monitors the operation efficiency and transparency of the supply chain, and implements online monitoring and online early warning. During the Year, we also optimized and standardized the supplier management procedures, simplified the purchase, bidding and approval procedures, and improved the sourcing efficiency through the optimization of the Tender and Procurement Management System. We achieved unified management from supplier admission to removal in qualification review, purchase and other processes.

During the Reporting Period, the Group assessed 275 performing suppliers, all of which met the relevant system requirements of the Group.

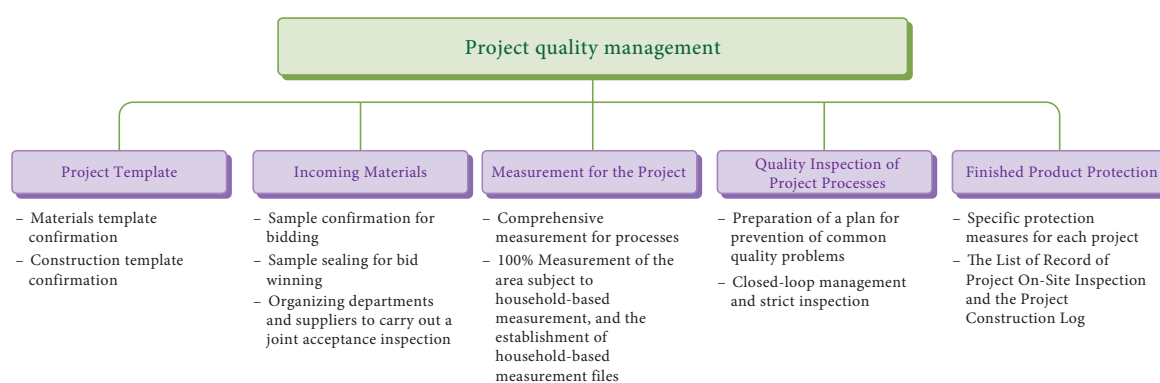
B. Responsible Products and Services

As an advanced business park developer in China, the Group has paid great attention to product quality and service quality. The Group continuously improves its service quality and customer satisfaction through continuous optimization of internal, engineering and service project management. The Group’s quality products and services have been widely praised by society and the industry.

Environmental, Social and Governance Report (continued)

a. Quality Responsibility

In order to safeguard the quality of products and services, the Group ensures that the Company's operations comply with relevant regulatory requirements, according to the Integrated Management System Manual developed in accordance with the ISO 9001 Quality Management System. We also strive to maintain effective corporate governance and control by improving our internal management policies, so as to fulfill our commitment to provide high-quality products and excellent services to our customers. The Group has formulated and regularly improves systems and guidelines, including the Project Cost Management System, the Tender and Procurement Management System and the Implementation Rules on Purchase for Projects. In addition, in order to encourage the use of environmentally preferable products and services, the Group prefers suppliers who give priority to environmentally preferable measures, actively use environmentally preferable products and fulfill their ecological protection responsibilities during the bidding process.



Quality assessment management system

Yida China has a quality evaluation working team comprising 2-3 professional engineers from the engineering customer service department or a third-party consulting management organization, with one team leader.

Project evaluation: Supervision organizations and main contractors are organized to evaluate the quality of site construction by means of regular inspection, covering actual measurement of the site and inspection of the project management system.

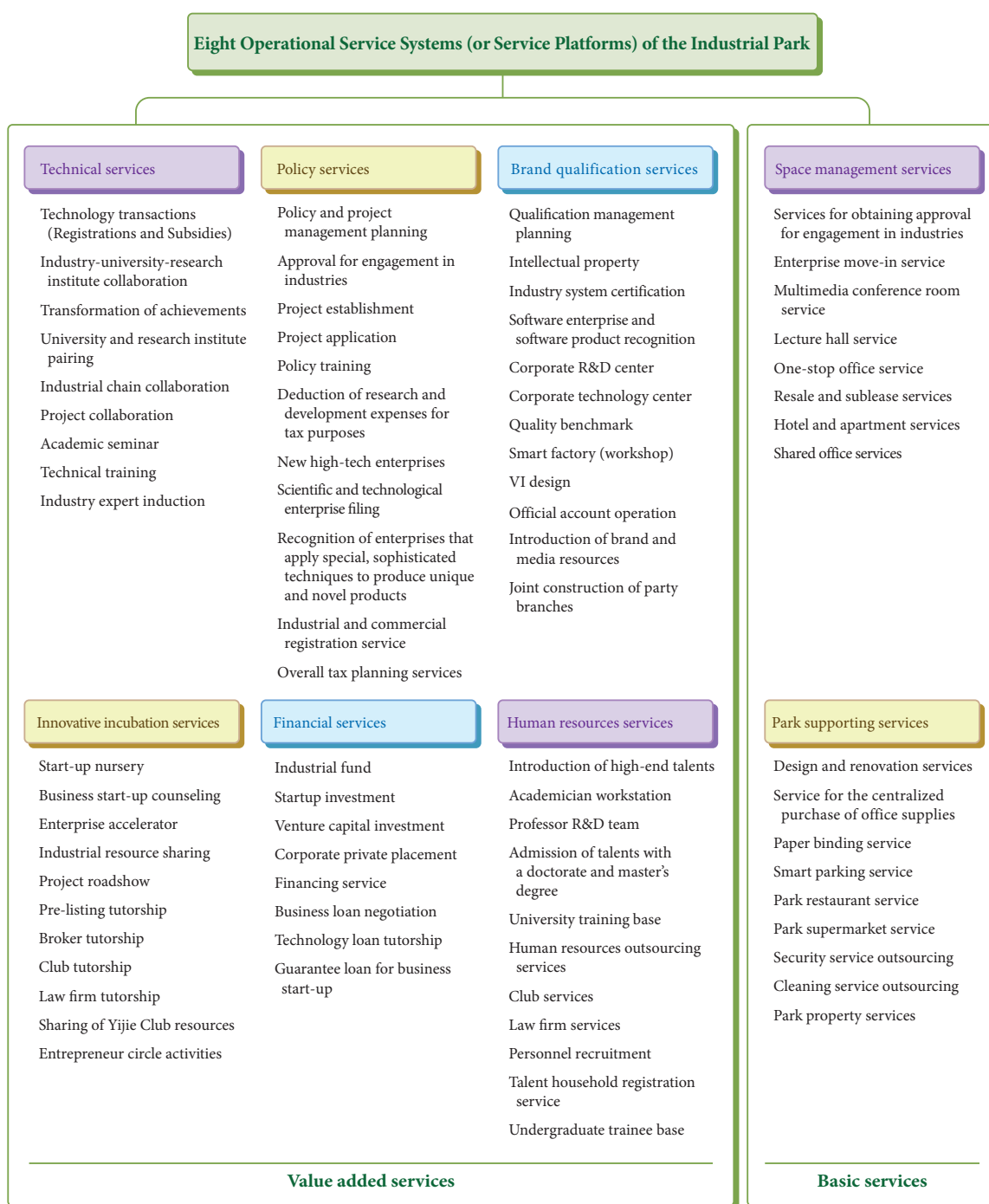
Evaluation and rectification: Rectification closure plans, solutions and measures are provided to subordinate project departments within 7 days after completion of the evaluation of a project with problems. The subordinate project departments check the rectification results through random inspections, and complete the rectification report within 1 month and send it to the engineering customer service department of the headquarters for filing.

Casual inspection: The engineering customer service department of the headquarters carries out casual random inspections of the evaluation work of the subordinate project department to ensure the efficient operation of the entire quality supervision system.

Environmental, Social and Governance Report (continued)

b. Service Quality

The Group provides diversified technical services, policy services, brand qualification services, innovation incubation services, financial services, human resources services, space management services and park supporting services for enterprises in the park. The Group has established eight operational service systems for the industrial parks of Yida China, which provide customers with all-round corporate management and operation experience and supports the development of the enterprises.



Environmental, Social and Governance Report (continued)

c. Customer Satisfaction

The Group adheres to the principle of “timely, honest and professional” in serving customers and solves customers’ practical problems from the perspective of customers as far as possible, so as to improve customer satisfaction. We will conduct regular customer satisfaction surveys and standardize the acceptance, handling and feedback processes in the surveys to ensure a steady increase in customer satisfaction.



Customer Relationship Management System

The Group has developed the Customer Complaint Management Guide and the Customer Needs/Complaint Handling Process which require relevant employees to classify complaints into different levels according to the severity and type of complaints, including: daily complaints, major complaints and crisis events; according to the nature of housing, safety, environment and supporting facilities, formulate the response measures for the case. In addition, customers can also make complaints and feedback through various channels, such as visits, calls and mobile phone programs.

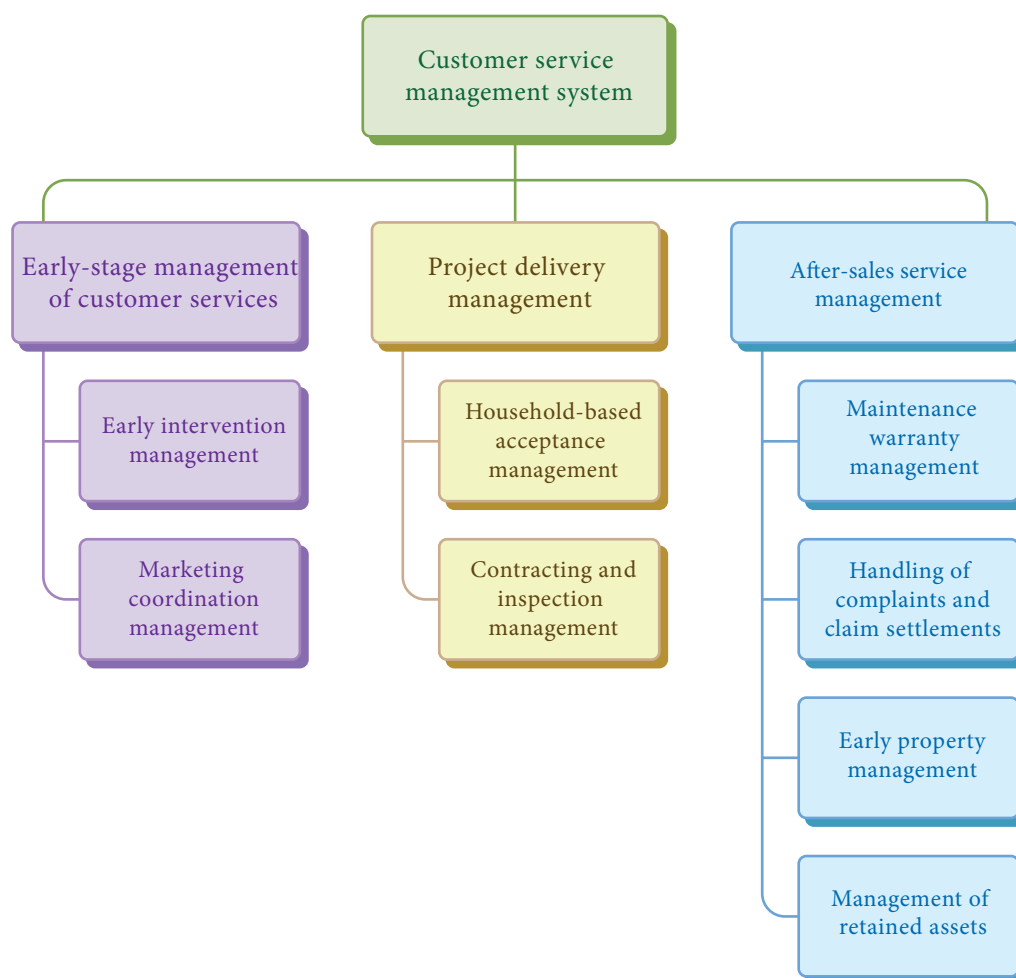


Diagram of the Residential Customer Service Management System

Environmental, Social and Governance Report (continued)

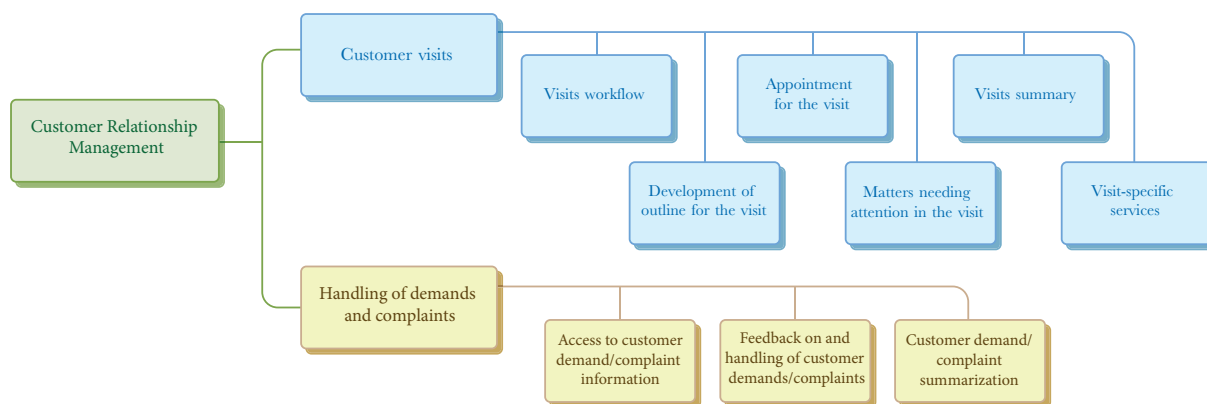


Diagram of the Customer Service Management System of the Park

We have long attached great importance to the voice of our customers. The Group has the Customer Service Management System and the Customer Relationship Management Guidelines and regularly conducts customer satisfaction surveys to strive for continuous improvement and ensure a steady increase in customer satisfaction.

In order to improve customer satisfaction, the Group has a complaint management system that classifies complaints and their causes, and develops improvement plans. We also review each complaint and respond promptly to it according to standards. The customer complaint handling process is as follows:



d. Customer Privacy Protection

The Group acquires operation-related information and materials from customers through legal channels. We have developed the Administration System, which clearly specifies the definition, classification and management of confidential information, including methods for collecting, storing and properly handling customer information. We have customer service-related departments, which designate special personnel to update information and carry out encryption management. The department heads are responsible for supervision and control, authorization for access, and regular destruction of customer information to ensure the safety of the personal data of customers.

e. Intellectual Property and Privacy Protection

The Group attaches great importance to originality and respects intellectual property rights. Therefore, employees of the Group are not allowed to disclose or use any patents and trademarks of the Group and its customers without authorization. During the Reporting Period, the Group was not involved in any material breach of laws and regulations relating to intellectual property rights of goods and services and privacy in Hong Kong and Chinese Mainland.

Environmental, Social and Governance Report (continued)

List of Policies

ESG Indicators	Applicable Laws and Regulations	Internal Policies in 2025
A1 Emissions	<p>Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution</p> <p>Law of the People’s Republic of China on the Prevention and Control of Water Pollution</p> <p>Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</p>	<p>Program for Environmental Monitoring and Measurement Control</p> <p>Identification and Evaluation Control</p> <p>Program for Environmental Factors Control</p> <p>Program for Environmental Operations</p>
A2 Use of Resources	<p>Energy Conservation Law of the People’s Republic of China</p>	<p>Program for Environmental Monitoring and Measurement Control</p> <p>Identification and Evaluation Control</p> <p>Program for Environmental Factors Control</p> <p>Program for Environmental Operations</p> <p>Quality, Environment and Occupational Health and Safety Management Manual</p>
A3 The Environment and Natural Resources	<p>Environmental Protection Law of the People’s Republic of China</p> <p>Law of the People’s Republic of China on the Prevention and Control of Environmental Noise Pollution</p>	<p>Program for Environmental Monitoring and Measurement Control</p> <p>Identification and Evaluation Control</p> <p>Program for Environmental Factors Control</p> <p>Program for Environmental Operations</p>
B1 Employment	<p>Civil Code of the People’s Republic of China</p> <p>Labour Law of the People’s Republic of China</p> <p>Labour Contract Law of the People’s Republic of China</p> <p>Employment Promotion Law of the People’s Republic of China</p> <p>Social Insurance Law of the People’s Republic of China</p> <p>Minimum Wage Regulations</p>	<p>Yida China Staff Handbook</p> <p>Probationary Work Objectives</p>

Environmental, Social and Governance Report (continued)

ESG Indicators	Applicable Laws and Regulations	Internal Policies in 2025
B2 Health and Safety	<p>Labour Law of the People’s Republic of China</p> <p>Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases</p> <p>Work Safety Law of the People’s Republic of China</p> <p>Fire Prevention Law of the People’s Republic of China</p> <p>Law of the People’s Republic of China on Emergency Response</p> <p>Regulations on the Safety Management of Hazardous Chemicals</p> <p>Regulations on the Reporting and Investigation of Production Safety Accidents</p> <p>Interim Provisions on the Investigation and Governance of Hidden Dangers of Work Safety Accidents</p> <p>Regulation on Work-Related Injury Insurance</p> <p>Provisions on the Administration of Occupational Health in the Workplace</p> <p>Classification and Catalogue of Occupational Disease</p>	<p>Yida China Staff Handbook</p> <p>Administration System</p>
B3 Development and Training		<p>Yida China Staff Handbook</p> <p>Mentorship Program</p> <p>Internal Trainer Management System</p>
B4 Labour Standards	<p>Labour Law of the People’s Republic of China</p> <p>Regulations on the Prohibition of Using Child Labour</p> <p>Law of the People’s Republic of China on the Protection of Minors</p>	<p>Yida China Staff Handbook</p>
B5 Supply Chain Management	<p>Construction Law of the People’s Republic of China (2019 Amendment)</p> <p>Law of the People’s Republic of China on Tendering and Bidding</p> <p>Regulation on the Implementation of Bidding Law of the People’s Republic of China (2019 Amendment)</p> <p>Government Procurement Law of the People’s Republic of China</p> <p>Civil Code of the People’s Republic of China</p>	<p>Tender and Procurement Management System</p> <p>Integrity Cooperation Protocols</p>

Environmental, Social and Governance Report (continued)

ESG Indicators	Applicable Laws and Regulations	Internal Policies in 2025
B6 Product Responsibility	<p>Civil Code of the People's Republic of China</p> <p>Product Quality Law of the People's Republic of China</p> <p>Urban Real Estate Administration Law of the People's Republic of China</p> <p>Administrative Measures for Advance Sale of Commodity Houses in Urban Areas</p> <p>Administrative Measures for Sales of Commercial Housing</p> <p>Regulations on the Administration of Construction Project Quality</p> <p>Administrative Regulations on Development, Operation and Management of Urban Real Estate</p> <p>Property Management Regulations</p> <p>Advertising Law of the People's Republic of China</p> <p>Patent Law of the People's Republic of China</p> <p>Copyright Law of the People's Republic of China</p> <p>Trademark Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</p> <p>Cybersecurity Law of the People's Republic of China</p> <p>Personal Information Protection Law of the People's Republic of China</p>	<p>Industrial Operation Management System</p> <p>Customer Relationship Working Guidelines</p> <p>Door-to-door Visit Guidelines</p> <p>Customer Visit Guidelines</p> <p>Key Business Accounts</p> <p>Guide to Management of Customer Complaints</p> <p>Procedures for Handling Customer Demands/Complaints</p> <p>Guide to Handling of Reports on Issues/Repairs</p> <p>System for Management of Construction Project Quality Objectives</p> <p>Construction Quality Management System</p>
B7 Anti-corruption	<p>Company Law of the People's Republic of China</p> <p>Anti-Money Laundering Law of the People's Republic of China</p> <p>Anti-Unfair Competition Law of the People's Republic of China (2019 Amendment)</p> <p>Interim Provisions on Prohibition of Commercial Bribery</p> <p>Anti-Monopoly Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Tendering and Bidding</p> <p>Civil Code of the People's Republic of China</p>	<p>Internal Audit Management System</p> <p>Management System for Term-end Accountability Audit</p> <p>Liability for Prohibition of Commercial Bribery</p> <p>Integrity Cooperation Protocols</p> <p>Whistleblowing Management System</p>
B8 Community Investment	<p>Charity Law of the People's Republic of China</p>	<p>Activities Management System</p>
D. Climate-related Disclosures		<p>Extreme Weather Prevention and Control Measures and Contingency Plans</p>

Environmental, Social and Governance Report (continued)

Performance Data Table

ESG Indicators	Unit	2023	2024	2025
Environmental¹				
Emissions				
The types of emissions and respective emissions data				
SO _x	kg	0.26	0.22	0.17
NO _x	kg	120.46	100.77	80.49
PM	kg	10.07	8.43	7.55
GHG emissions² and intensity				
GHG emissions	Metric tonnes of carbon dioxide	864.08	736.69	1,132.03
Direct GHG emissions (Scope 1)	Metric tonnes of carbon dioxide	63.08	52.69	192.01
Energy indirect GHG emissions (Scope 2)	Metric tonnes of carbon dioxide	801	684	940.02
Intensity of GHG emissions	Metric tonnes of carbon dioxide/m ²	0.0003	0.0003	0.0005
Total hazardous waste produced and intensity				
Total hazardous waste	Tonnes	0.00	0.00	0.01
Hazardous waste intensity	Tonnes/10,000 m ²	0.00000	0.00000	0.00005
Total non-hazardous waste produced and intensity				
Total non-hazardous waste	Tonnes	152	111	50.22
Non-hazardous waste intensity	Tonnes/10,000 m ²	0.48	0.49	0.23
Use of Resources				
Energy consumption in total³ and intensity				
Direct energy consumption	MWh	249.62	208.57	173.07
Indirect energy consumption	MWh	1,148.01	943.17	751.82
Energy consumption intensity	MWh/m ²	0.0004	0.0005	0.0004
Total water consumption and intensity				
Total water consumption	m ³	13,738.71	12,976.77	12,443
Water consumption intensity	m ³ /m ²	0.004	0.006	0.006

Environmental, Social and Governance Report (continued)

ESG Indicators		Unit	2023	2024	2025
Social					
Employment					
Total employees by gender, employment type, age group and geographical region					
Total number of employees		Persons	493	348	289
Gender	Male	Persons	277	182	149
	Female	Persons	216	166	140
Employment type	Full-time	Persons	493	348	289
	Part-time	Persons	0	0	0
Employee category	Senior management	Persons	8	8	6
	Middle management	Persons	99	82	60
	Junior staff	Persons	386	258	223
Age	29 and below	Persons	45	18	12
	30-49	Persons	398	293	242
	50 and above	Persons	50	37	35
Region	Chinese Mainland	Persons	491	346	287
	Hong Kong, Macau and Taiwan	Persons	2	2	2
	Overseas	Persons	0	0	0
Employee turnover rate by gender, age group and geographical region⁴					
Total employee turnover rate		%	36.7	47.4	20.4
Gender	Male	%	39.4	58.8	22.1
	Female	%	33.3	34.9	18.6
Age	29 and below	%	104.4	116.7	16.7
	30-49	%	30.4	43.0	19.4
	50 and above	%	26.0	48.6	28.6
Region	Chinese Mainland	%	36.9	47.7	20.6
	Hong Kong, Macau and Taiwan	%	0	0	0
	Overseas	%	0	0	0
Health and Safety					
Number and rate of work-related fatalities occurred in each of the past three years					
Number of work-related fatalities		Persons	0	0	0
Rate of work-related fatalities		%	0	0	0
Lost days due to work injury					
Number of hours lost due to work injury ⁵		Hour(s)	544	64	0

Environmental, Social and Governance Report (continued)

ESG Indicators		Unit	2023	2024	2025
Development and Training					
The percentage of employees trained by gender and employee category⁶					
Total number of employees trained		Persons	233	182	89
Percentage of employees trained		%	47.26	52.30	30.80
Gender	Male	%	41.52	52.20	22.82
	Female	%	54.63	52.41	39.29
Employee category	Senior management	%	12.50	12.50	0
	Middle management	%	40.40	43.90	3.33
	Junior staff	%	49.74	56.20	39.01
The average training hours completed per employee by gender and employee category⁷					
Average training hours for trained employees		Hour(s)	10.74	10.74	2.64
Gender	Male	Hour(s)	19.23	12.45	1.82
	Female	Hour(s)	14.92	8.86	3.15
Employee category	Senior management	Hour(s)	10.00	3.50	0
	Middle management	Hour(s)	15.95	15.36	2.00
	Junior staff	Hour(s)	17.31	9.64	2.66
Supply Chain Management					
Number of suppliers by geographical region					
Total number of suppliers		No. of suppliers	16,717	16,994	19,423
Region	Chinese mainland	No. of suppliers	16,710	16,987	19,410
	Hong Kong, Macau and Taiwan	No. of suppliers	7	7	13
	Overseas	No. of suppliers	0	0	0
Number of suppliers where the practices are being implemented					
New suppliers		No. of suppliers	367	281	275
Product Responsibility					
Percentage of total products sold or shipped subject to recalls for safety and health reasons					
Percentage of recalled or rectified residential projects		%	0	0	0
Number of products and service related complaints received					
Number of products and service related complaints received		Case	51	45	17

Environmental, Social and Governance Report (continued)

ESG Indicators	Unit	2023	2024	2025
Anti-corruption				
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period				
Number of concluded legal cases regarding corrupt practices during the Reporting Period	Case	0	0	0
Anti-corruption training provided to Directors and staff				
Number of Directors and employees receiving anti-corruption training	Persons	493	348	289
Community Investment				
Resources contributed to the focus area				
Number of employees participating in volunteer services	Persons	330	280	220
Number of hours of employees participating in volunteer services	Hour(s)	2,640	2,120	1,120

Notes:

- Environmental data within the scope of ESG reporting and the method of data collection, calculation and reporting are referred to “How to Prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs” available on the website of Hong Kong Exchanges and Clearing Limited.
- GHG emissions data are presented in terms of carbon dioxide equivalent. Its calculation method is based on, including but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “Notice on the Management of Enterprise Greenhouse Gas Emissions Reporting by Power Generation Industry for 2023-2025” issued by the Ministry of Ecology and Environment of the PRC, the “Global Warming Potential Values” from the IPCC Sixth Assessment Report (AR6), “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.
- The calculation method of energy consumption data is based on the “Energy Statistics Manual” issued by the International Energy Agency and energy statistics conversion factors from China’s National Bureau of Statistics. Direct energy consumption in 2023 included 17,742 litres of petrol and 7,427 cubic metres of natural gas; indirect energy consumption included 1,148,008.27 kWh of purchased electricity and 631 GJ of purchased heat. Direct energy consumption in 2024 included 14,820 litres of petrol and 6,226 cubic metres of natural gas; indirect energy consumption included 943,172.35 kWh of purchased electricity and 631 GJ of purchased heat. Direct energy consumption in 2025 included 11,409 litres of petrol and 5,976 cubic metres of natural gas; indirect energy consumption included 751,815 kWh of purchased electricity and 4,919.15 GJ of purchased heat.
- Employee turnover rate = number of employees leaving employment within the year/number of employees as at the year end.
- In 2023, the Group experienced a total of 544 hours of work-related injuries or casualties during and outside office hours, resulting in a loss of 68 days. In 2024, the Group experienced a total of 64 hours of work-related injuries or casualties during and outside office hours, resulting in a loss of 8 days. In 2025, the total hours of work-related injuries or personal accidents occurring during and outside working hours within the Group amounted to 0 hours, resulting in a total of 0 days lost.
- The percentage of employees trained = number of employees who took part in training/number of employees as at the year end
- The average training hours completed per employee = number of training hours/number of employees being trained

Profile of Directors and Senior Management

Executive Directors

Mr. Jiang Xiuwen (姜修文), aged 49, was appointed as an executive Director on 16 December 2013 and the Chairman of the Board on 22 June 2018. He is the chief executive officer of the Group and also the chairman of the nomination committee and a member of the remuneration committee of the Company, responsible for the comprehensive operating management of the Group and material matters authorized by the Board. Mr. Jiang joined the Group in July 2000 and received his bachelor's degree in thermal treatment of metal from Dalian Jiaotong University (大連交通大學) in July 2000 and an executive master's degree in advanced business administration from Dalian University of Technology (大連理工大學) in July 2011. Mr. Jiang is a vice president of China Real Estate Association (中國房地產協會), President of Dalian Chamber of Commerce in Shanghai (上海大連商會), Executive Vice President of Liaoning Real Estate Industry Association (遼寧省房地產協會). Mr. Jiang also won several awards, namely the "Liaoning May 1st Labour Medal" (遼寧五一勞動獎章) of the General Labor Union of Liaoning Province in 2010 and the "Model Worker" (勞動模範) by the People's Government of Liaoning Province in 2012.

Mr. Yuan Wensheng (袁文勝), aged 56, was appointed as an executive Director on 31 March 2023. From July 1995 to January 2001, Mr. Yuan worked in the international business department and trade finance department of China Construction Bank (Shandong Branch). From February 2001 to January 2002, he served as the head of trade finance in the international business department of China Merchants Bank (Jinan Branch). From February 2002 to November 2006, he served as the general manager of the international business department and market department of Shenzhen Development Bank (Jinan Branch). From December 2006 to July 2013, Mr. Yuan joined China Minsheng Bank as a senior risk management specialist (at the level of deputy general manager of the head office department), in charge of the policy and portfolio management center, industry research center, product risk management center and operational risk management center. From August 2013 to June 2017, Mr. Yuan served as the general manager of the strategic planning department of Ping An Bank Head Office. From September 2018 to January 2023, Mr. Yuan joined China Minsheng Investment Corp., Ltd. ("China Minsheng", together with its subsidiaries, "China Minsheng Group"), the controlling shareholder of the Company, and served

as the deputy director of the new industry research center, the executive director of the investment management team and the deputy general manager of the asset operation center. Mr. Yuan received his bachelor's degree in electrical automation from Shandong University of Science and Technology (山東科技大學) in 1993, a bachelor's degree in international trade from Nanjing University (南京大學) in 1995, and an MBA degree from Peking University (北京大學) in 2009. Mr. Yuan is a qualified lawyer and senior economist in the PRC.

Non-Executive Directors

Mr. Lu Jianhua (盧劍華), aged 59, was appointed as a non-executive Director and vice chairman of the Board on 29 September 2021. Since September 2022, Mr. Lu has been the chairman of China Minsheng Jiaye Investment Co., Ltd. (being the controlling shareholder of the Company). He was a non-executive director of SRE Group Limited (stock code: 1207, the listing status cancelled on 20 February 2025) between 20 July 2021 to 17 February 2025. He was vice chairman and vice principal of Xianda College of Economics and Humanities Shanghai International Studies University from 2020 to 2021. From 2004 to 2020, he successively worked as vice president, secretary of the disciplinary committee and deputy secretary of the party committee at CITIC Pacific (China) Investment Co., Ltd. He worked as manager of No.2 Engineering Department and deputy general manager of the subsidiary, Jiuchuang Ltd., responsible for managing general work at the construction supervisory department of the Shanghai Maglev Project* (上海磁懸浮工程) from 2000 to 2004. He successively served as deputy director in various offices and in the engineering department responsible for managing general work at the construction supervisory department of Shanghai Pudong International Airport from 1995 to 2000. From 1994 to 1995, he worked as general manager at the Shanghai Housing System Reform Office* (上海市住房制度改革辦公室). He worked at the secretariat and the administration office of the General Office of Shanghai Municipal People's Government from 1984 to 1994. Mr. Lu graduated from Shanghai Polytechnic University in computer applications profession in 1993, graduated from East China Normal University in real estate operation and management profession in 1997 and graduated from Party School of The Central Committee of Communist Party of China* (中共中央黨校函授學院) in economics and management profession (on-job postgraduate study) in 2003. Mr. Lu has extensive management experience in construction and real estate industries.

Profile of Directors and Senior Management (continued)

Mr. Wang Gang (王剛), aged 51, was appointed as a non-executive Director on 26 March 2018. He has been an executive president of Yida Holdings Ltd. (億達控股有限公司) and the chairman of Beijing Yida Investment Co., Ltd. (北京億達投資有限公司) since 2016. From 2015 to 2016, Mr. Wang worked at China Fortune Land Development Co., Ltd. (華夏幸福基業股份有限公司) (Shanghai stock code: 600340) as the general manager of its investment management center. From 2006 to 2015, Mr. Wang worked at the Group as the general manager of investment department. From 2002 to 2006, Mr. Wang worked at Dalian Merro Pharmaceutical Co., Ltd. (大連美羅藥業股份有限公司) (the then Shanghai stock code: 600297) as the manager of securities department and the securities representative of its board. From 1997 to 2002, Mr. Wang worked at Liaoning Machinery Import & Export Co., Ltd. (遼寧機械進出口股份有限公司) as the manager of securities department. Mr. Wang obtained his bachelor's degree in currency and banking and master's degree in business administration from Dongbei University of Finance and Economics (東北財經大學) in 1997 and 2009, respectively. Mr. Wang obtained the qualification certificate of the training for the secretary to the board of directors issued by Shanghai Stock Exchange and the securities industry qualification in Chinese Mainland, and he was also granted the title of economist in Chinese Mainland.

Ms. Jiang Qian (蔣倩), aged 37, was appointed as a non-executive Director on 11 February 2022. In 2015, Ms. Jiang joined Zhongmin Investment Management Co., Ltd., a wholly-owned subsidiary of China Minsheng Investment Corp., Ltd. (the controlling shareholder of the Company), and is currently acting as the vice president of the company. From 2012 to 2015, Ms. Jiang served as the senior project manager of the second trust and investment banking department of Hwabao Trust Co., Ltd. Ms. Jiang obtained a bachelor's degree in economics from Xi'an University of Finance and Economics in 2009 and a master's degree in finance from Fudan University in 2012. Ms. Jiang is a Chartered Financial Analyst. Since June 2022, Ms. Jiang has also been an executive Director of New Universe Environmental Group Limited (Stock Code: 0436).

Independent Non-Executive Directors

Mr. Guo Shaomu (郭少牧), aged 60, was appointed as an independent non-executive Director on 1 June 2014. Mr. Guo is also a member of the audit committee, the chairman of the remuneration committee and a member of the nomination committee. Mr. Guo has over 13 years of experience in investment banking in Hong Kong. From February 2000 to February 2001, Mr. Guo served as an associate of corporate finance of Salomon Smith Barney, an investment bank principally engaged in providing financial services (an investment banking arm of Citigroup Inc.), where he was primarily responsible for supporting the marketing and execution efforts of the China team. From March 2001 to September 2005, Mr. Guo served as an associate and an associate director of global investment banking of HSBC Investment Banking, an investment bank principally engaged in providing financial services, where he was primarily responsible for the execution of China-related transactions. From October 2005 to April 2007, Mr. Guo served as a vice president and a director of the real estate team of J.P. Morgan Investment Banking Asia, an investment bank principally engaged in providing financial services, where he was primarily responsible for marketing efforts covering the real estate sector in China. From April 2007 to April 2013, Mr. Guo served as a director and a managing director of the real estate team of Morgan Stanley Investment Banking Asia, an investment bank principally engaged in providing financial services, where he was one of the key members responsible for the business in the real estate sector in the Greater China region. Mr. Guo currently serves as an independent non-executive director in Fantasia Holdings Group Co., Limited (stock code: 1777) and Shanghai Heart Care Medical Technology Corporation Limited (stock code: 6609) listed on the Stock Exchange. Mr. Guo was an independent non-executive director of Ganglong China Property Group Limited (stock code: 6968) between June 2020 and December 2023 and was an independent non-executive director of Sunkwan Properties Group Limited (stock code: 6900, the listing status cancelled on 27 October 2025) during the period from 27 October 2020 to 31 July 2024. Mr. Guo was also an independent director of Galaxy Core Inc., a company listed on the Shanghai Stock Exchange (stock code: 688728) between March 2020 and March 2026. Mr. Guo received his bachelor's degree in electrical engineering from Zhejiang University in July 1989, a master's degree in computer engineering from the University of Southern California in May 1993 and a master's degree in business administration from the School of Management of Yale University in May 1998.

Profile of Directors and Senior Management (continued)

Reference is made to the Company's announcement dated 7 March 2025 in relation to a regulatory announcement made by the Stock Exchange in connection with Mr. Guo Shaomu in his capacity as an independent non-executive director of another company listed on the Main Board of the Stock Exchange.

Mr. Tong Wing Chi (唐永智), aged 44, was appointed as an independent non-executive Director on 13 January 2025. Mr. Tong is also a member of the audit committee, a member of the remuneration committee of the Company. Mr. Tong obtained a bachelor's degree in Arts (major in accountancy) from The Hong Kong Polytechnic University in November 2004. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Independent Non-Executive Director Association. Mr. Tong has 20 years of experience in auditing, accounting and financial reporting. Mr. Tong started his career in Deloitte Touche Tomatsu from September 2004 to February 2010 with his last position as an audit senior. He then worked in DTZ Debenham Tie Leung as a senior accountant from March 2010 to October 2011. Mr. Tong returned to Deloitte Touche Tomatsu in October 2011 as an audit manager and his last position was a manager of chief experience officer (CXO) advisory service when he left the company in February 2014. Subsequently, Mr. Tong held senior financial positions in Hong Kong listed companies or multinational companies in various business areas. Mr. Tong has been a managing director of Victory Success Consulting Limited since July 2018, and a managing partner of ESO Partners CPA Limited since August 2022. From July 2022 to February 2023, Mr. Tong acted as the company secretary of China Bright Culture Group, a company listed on the Main Board of the Stock Exchange (stock code: 1859). Mr. Tong was an independent non-executive director of Greater Bay Area Dynamic Growth Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1189) from September 2022 to August 2023. Since 6 October 2021, he has been an independent non-executive director of PF Group Holdings Limited (presently known as Gaoyu Finance Group Limited, a company listed on GEM of the Stock Exchange, stock code: 8221) and since March 2022, he has been an independent non-executive director of CHTC Fong's International Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 641).

Mr. Chen Yi Chuan (陳貽川), aged 59, was appointed as an independent non-executive Director on 13 January 2025. Mr. Chen is also the chairman of the audit committee, a member of the nomination committee of the Company. Mr. Chen obtained a bachelor's degree in business administration (accounting and finance) from the University of Hong Kong in 1993 and a master's degree in science in financial engineering from the City University of Hong Kong in 1999. He is a Chartered Financial Analyst charterholder of the CFA Institute, a Certified Financial Risk Manager of the Global Association of Risk Professionals and a Certified Professional Risk Manager of the Professional Risk Managers International Association. He is also a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, a fellow of the Actuarial Society of Hong Kong, a member of the Hong Kong Independent Non-Executive Director Association and a fellow of CPA Australia. Mr. Chen has about 30 years of actuarial and financial experiences. From August 2008 to September 2018, Mr. Chen acted as the chief financial officer of BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited (a then subsidiary of The Bank of East Asia, Limited, a company listed on the Main Board of the Stock Exchange (stock code: 23), and currently a subsidiary of AIA Group Limited, which is a company listed on the Main Board of the Stock Exchange, stock code: 1299). From September 2018 to February 2020, Mr. Chen acted as the chief financial officer of ZhongAn Technologies International Group Limited and from March 2020 to June 2020, he acted as the chief financial officer of ZA Life Limited (both being a joint venture or subsidiary of ZhongAn Online P & C Insurance Co., Ltd., a company listed on the Main Board of the Stock Exchange, stock code: 6060). From July 2021 to April 2023, Mr. Chen acted as the chief financial officer of Dah Sing Insurance Company (1976) Limited (presently known as Dah Sing Insurance Company Limited, being a subsidiary of Dah Sing Financial Holdings Limited, a company listed on the Main Board of the Stock Exchange, stock code: 440). From April 2023 to February 2024, Mr. Chen acted as the chief financial officer and chief actuary of Himalayas Insurance FZE-LLC (a company wholly-owned by Target Insurance (Holdings) Limited, which is listed on the Main Board of the Stock Exchange, stock code: 6161).

Profile of Directors and Senior Management (continued)

Senior Management

Ms. Zhou Zhilan (周芝蘭), aged 48, is a vice president of the Group, responsible for the Group's financial management, accounting, taxation management and related work. Ms. Zhou joined the Group in 2001. From 2001 to 2017, she served as a manager of the finance department, general manager of the Finance Department and Chief Financial Officer of Dalian Yida Property Company Limited, Dalian Yida Property Management Company Limited, Dalian Software Park Shitong Development Company Limited and Dalian Software Park Development Company Limited, subsidiaries of the Group. From 2018 to 2021, she served as the deputy general manager of Dalian region and has served as the vice president of the Company since March 2021. Ms. Zhou graduated with a master's degree in business administration from Dongbei University of Finance and Economics (東北財經大學) in 2012 and a double bachelor's degree in statistics/economic law from Liaoning University in 2000. Ms. Zhou is an intermediate economist.

Mr. Li Bing (李兵), aged 48, is a vice president of the Group, responsible for the Group's investment operations, investment and extension development, industry research, and brand management. Mr. Li joined the Group in 2010. From 2002 to 2010, Mr. Li served as a manager of the project development department of Rightway Real Estate Co., Ltd. (正源房地產有限公司) and director of operations of the Chongqing Branch of Rightway Real Estate Co., Ltd. Since 2010, Mr. Li has successively served as general manager of the development department of Yida Development Company Limited, vice president of Yida Technology New City Management Co., Ltd. (億達科技新城管理有限公司) and general manager of Zhengzhou Yida Technology New City Development Co., Ltd. (鄭州億達科技新城發展有限公司). Mr. Li obtained a bachelor's degree in finance from Dongbei University of Finance and Economics in 2001. Mr. Li is an intermediate economist.

Joint Company Secretaries

Mr. Sun Mingze (孫銘澤), a joint company secretary of the Company, is currently an assistant CEO of the Group. Since joining the Group in 2013, Mr. Sun served as the general manager of the investment department of the Group and was appointed as a senior management of the Group since 2018. Mr. Sun graduated from the Acadia University in Canada majoring in Economics in 2005.

Ms. Kwong Yin Ping Yvonne (鄺燕萍), is one of joint company secretaries of the Company. She is a senior vice president of SWCS Corporate Services Group (Hong Kong) Limited. She holds a bachelor's degree in accountancy from the Hong Kong Polytechnic University and is a fellow of the Hong Kong Institute of Chartered Secretaries and a fellow of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators). Ms. Kwong has extensive experience in providing company secretarial and compliance services to numerous private and listed companies. She is currently the named company secretary or joint company secretary of several companies listed on the Stock Exchange.

Directors' Report

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

Principal Activities

The Company is an investment holding company and its subsidiaries principally engage in the business of development and operation of business parks, the development and sales of multifunctional integrated residential community projects, the operation and management, construction, decoration, landscaping and the property management of business parks.

Results

The results of the Group for the year ended 31 December 2025 are set out on page 90 of this annual report.

Business Review

The fair review of the Group's business, the financial key performance indicators and analysis of future development of the Group are disclosed in sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. Both sections form parts of this report.

Environmental Policy and Performance

The Group puts emphasis on environmental responsibility, always adheres to the concept of low carbon environmental protection, enhances its environmental protection performance through planning, construction and property management, and fulfills its commitment to environmental protection by actively implementing green construction design and adopting measures of energy saving and emission reduction during construction of buildings and throughout all aspects in property management and office operation. For details, please refer to the "Environmental, Social and Governance Report" of this annual report.

Compliance with Relevant Laws and Regulations

The Group always operates its businesses in compliance with laws and regulations. The Group closely monitors various policies and regulations promulgated by the State from time to time, in particular those in land, credit and tax associated with the production and operations of the Group, and adapts to the economic trend and the changes in the orientation of policies and regulations.

Major Risks and Uncertainties

The Group is mainly exposed to risks and uncertainties arising from the changes of its own operations and industry environment. Risks from own operations include cross-regional operations risk, vacant land risk, construction quality risk and human resources management risk. Risks from the industry environment include risk arising from the fluctuation of the macro economy and the industry cycle, risk of increase in costs of land, raw materials and labour, risk of changes in financial policies, risk of changes in land policies and risk of changes in tax policies.

Relationships with Major Stakeholders

The Group attaches great importance to the participation of stakeholders, keeps in touch with stakeholders by different means and coordinates the opinions and requirements from different stakeholders.

The Group regularly submits documents to the relevant regulatory authority, or receives its inspection from time to time to meet the requirements of the regulatory authority. In addition, the Group facilitates site visits and surveys by investors, customers, and suppliers to its projects to strengthen mutual communication.

Directors' Report (continued)

Employees Diversity

The Group encourages gender diversity across its workplace. To achieve diversity at workforce level (including senior management), the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates with different age, gender and experiences are considered. As at 31 December 2025, the Company has a ratio of 149:140 males to females across its workforce. The Board considers that gender diversity in respect of both the Board and the workforce (including senior management) has been achieved. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees.

Dividends

The Board does not recommend any payment of final dividend for the year ended 31 December 2025. There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

AGM and Closure of Register of Members

The Company will further determine the date, time and place of the forthcoming annual general meeting of the Company (the "AGM") and the relevant period of closure of register of members. Notice convening the AGM will be published and despatched in the manner prescribed by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Article of Association in due course.

Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 176 of this annual report.

Property, Plant and Equipment and Investment Properties

The details of changes of the property, plant and equipment and investment properties of the Company and the Group during the Year are set out in notes 16 and 17 to the consolidated financial statements of the Group, respectively. Further details of the Group's major investment properties are set out on page 9 of this annual report.

Borrowings

Details of borrowings are set out in note 30 to the financial statements of the Group.

Reserves

The changes of reserves of the Group during the Year are set out in the consolidated statement of changes in equity and note 34 to the financial statements of the Group.

Distributable Reserves

As at 31 December 2025, the available distributable reserves of the Company were approximately RMB1,288,734,000.

Donations

The Group did not make any donation during the Year.

Pension Scheme

Employees in the Group's PRC subsidiaries are required to participate in a central pension scheme operated by the local municipal government. The Group's PRC subsidiaries are required to contribute certain percentages of their payroll costs to the scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme. As at 31 December 2025, no forfeited contributions were available to reduce the existing level of contributions payable by the Group.

Major Customers and Suppliers

For the year ended 31 December 2025, the sales attributable to the Group's five largest customers was less than 30% of the Group's total sales for the same period, while the aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the Group's total purchases for the same period. None of the Directors, their close associates or any shareholder (who to the knowledge of the Directors owns more than 5% of the share capital of the Company) had any interest in the share capital of any of the five largest customers and suppliers of the Group for the year ended 31 December 2025.

Share Capital

The details of the changes in the share capital of the Company during the Year are set out in note 33 to the financial statements of the Group.

Purchase, Sale or Redemption of Listed Securities of the Company

During the Year, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2025, the Company does not hold any treasury shares.

Directors' Report (continued)

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 13 October 2025, Dalian Science and Technology City Changde Development Co., Ltd. (大連科技城昌得開發有限公司) (“**Dalian ChangDe**”), a wholly-owned subsidiary of the Company, and Dalian Services Outsourcing Base Development Company Limited (大連服務外包基地發展有限公司) (“**Outsourcing Company**”) a wholly-owned subsidiary of the Company, entered into a Set-off Agreement with Dalian Ganjing Hengye Development Co., Ltd. (大連甘井恆業發展股份有限公司) (“**Dalian HengYe**”), which is wholly-owned by the Finance Bureau of Ganjingzi District Dalian Municipal. Pursuant thereto, Dalian ChangDe conditionally agreed to transfer all interests in the subject property to Dalian HengYe, and Dalian HengYe conditionally agreed to settle the outstanding debts in an aggregate amount of RMB275.78 million as consideration for the transfer of the Property. The aforementioned very substantial disposal was approved at the extraordinary general meeting held on 29 December 2025.

For details, please refer to the announcements of the Company dated 27 January 2025, 13 October 2025 and 29 December 2025, and the circular of the Company dated 8 December 2025.

Save as disclosed above, during the Year, the Company has no other significant investments or material acquisitions and disposal of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Assets

The Group had not authorised any plans for material investments or additions of capital assets as at 31 December 2025.

Litigation and Arbitration

1. Arbitrations in Relation to Aetos

On 23 October 2017, certain subsidiaries of the Company (collectively, the “**Respondents**”) received an arbitration notice from the Hong Kong International Arbitration Centre in respect of the submission of arbitration applications by the joint venture partners of the Group (the “**Claimants**”) relating to the put price of the put options pursuant to certain agreements entered into between the Respondents and the Claimants.

On 20 October 2020, the Hong Kong International Arbitration Centre issued a final award (the “**Final Award**”). The arbitral tribunal ordered that the Respondents shall pay the full put option price of USD108 million to the Claimants together with USD84 million being interest accrued up to the date of the Final Award, as well as the Claimants' legal costs and expenses. Upon receipt of such amounts, the Claimants shall transfer the equity interests of the Claimants in the relevant joint ventures to the relevant Respondents.

Directors' Report (continued)

On 4 March 2021, the Respondents and the Claimants entered into the settlement agreement (the “**Settlement Agreement**”). The Respondents acknowledged that they are indebted to the Claimants for approximately USD209 million (the “**Total Payment Obligation**”) according to the Final Award. It is further agreed that the amount payable by the Respondents would be reduced to USD175 million, and paid to the Claimants in accordance with the payment time and amount stipulated in the Settlement Agreement.

For details, please refer to the announcements of the Company dated 25 February 2021 and 5 March 2021.

As at the date of this report, the Respondents have not fulfilled all payment obligations pursuant to the Settlement Agreement.

2. Senior Notes

On 17 April 2017, the Company issued the US\$300,000,000, 6.95% senior notes due 19 April 2020 (the “**2020 Notes**”).

On 27 March 2020, the Company issued US\$224,899,000 senior notes (ISIN: XS2130508000; Common Code: 213050800) due 27 March 2022 (the “**2022 Notes**”) pursuant to the Exchange Offer and Consent Solicitation of the holders of the 2020 Notes. The 2022 Notes are listed on the Singapore Exchange Securities Trading Limited.

On 7 February 2022, the Company entered into the solicitation of consents (the “**Consent Solicitation**”) in relation to the proposed waivers of certain defaults under the indenture (as supplemented or amended, the “**Indenture**”) of the 2022 Notes and the 2022 Notes and the proposed amendments to the Indenture. Completion of the Consent Solicitation took place on 16 February 2022, which mainly included (i) the waiver of events of default relating to the failure to pay the outstanding principal amount and interest (including default interest) under the Indenture, and other payment defaults under other indebtedness and the waiver of other consequential breaches and defaults arising from such events of default; (ii) the extension of the maturity date of the 2022 Notes to 30 April 2025 and the amendment to the repayment schedule for the outstanding principal amount of the 2022 Notes; and (iii) the change in the interest rate of the 2022 Notes to 6.0% per annum and the default rate was changed to 2.0% per annum over the new interest rate and the interest payment dates were changed to 30 April and 30 October each year.

Due to unfavorable factors in the macro economy, real estate market and financial environment, the Company did not pay the consent fee of US\$3,450,000, the consent fee of US\$3,450,000, the interest of US\$5,734,470, the consent fee of US\$3,450,000, the interest of US\$5,734,470, the interest of US\$5,734,470 and the interest of US\$5,734,470 to the 2022 Notes holders on 30 June 2022, 30 September 2022, 30 October 2022, 31 December 2022, 30 April 2023, 30 October 2023, and 30 April 2024 respectively pursuant to the terms of the Indenture.

On 21 May 2024, the Company announced that it has received an acceleration notice from the holders of the 2022 Notes by virtue of the non-payment and non-payment of related interest of the Company. On 13 June 2024, it came into the Company's attention that a winding up petition (the “**2nd Petition**”) was filed against the Company at the High Court in relation to the 2022 Notes due 2025 with an outstanding principal amount of US\$191,149,000 (plus accrued and unpaid interest). At the hearing on 20 January 2025, the High Court has approved the application of the withdrawal of the 2nd Petition filed on 15 January 2025.

For details, please refer to the announcements of the Company dated 7 February 2022, 17 February 2022, 21 March 2022, 30 June 2022, 3 October 2022, 14 November 2022, 3 January 2023, 14 May 2023, 21 May 2024, 14 June 2024, 27 June 2024, 14 August 2024, 23 September 2024, 14 November 2024 and 20 January 2025.

Directors' Report (continued)

3. Criminal Order

Outsourcing Company received a criminal order (the “**Order**”) issued by the Intermediate People’s Court of Dalian City, Liaoning Province (遼寧省大連市中級人民法院) (the “**Dalian Court**”), with effect from 17 January 2025 against, inter alia, two former employees of Outsourcing Company for bribery. As the bribes were conducted on behalf of the Outsourcing Company, the Outsourcing Company was also convicted of crime of offering bribes by an entity. According to the Order, the Outsourcing Company is required to pay outstanding amounts of approximately RMB296.6 million to the Finance Bureau of Ganjingzi District Dalian City (“**Dalian Finance Bureau**”). Subsequently, Dalian Finance Bureau entered into a debt assignment agreement with the Outsourcing Company and Dalian HengYe, pursuant to which Dalian Finance Bureau assigned a portion of the outstanding amounts amounting to RMB275.78 million to Dalian HengYe. Dalian ChangDe and the Outsourcing Company entered into an Offset Agreement with Dalian HengYe. Pursuant thereto, Dalian ChangDe conditionally agreed to transfer all interests in the subject property to Dalian HengYe, and Dalian HengYe conditionally agreed to offset the outstanding debts in an aggregate amount of RMB275.78 million as consideration for the transfer of the Property. The remaining outstanding amount of approximately RMB20.82 million was used to offset rent and property fees payable by the government and relevant management units to the Outsourcing Company and its related parties. Upon completion of the aforementioned transactions and set-off, the outstanding amount, together with the rent and property fees payable by the government to the Company, will be fully settled.

For details, please refer to the Company’s announcements dated 27 January 2025, 13 October 2025 and 29 December 2025, and the circular dated 8 December 2025.

4. Loan from China CITIC Dalian

Dalian Shengbei Development Company Limited (大連聖北開發有限公司) (“**Dalian Shengbei**”), a subsidiary of the Company, failed to repay the loan in accordance with the time limit agreed in the Loan Contract, resulting in the loan becoming overdue, and the creditor, China CITIC Bank Corporation Limited, Dalian Branch (中信銀行股份有限公司大連分行) (“**China CITIC Dalian**”), demanded repayment of the loan. The subsidiary of the Company has received an enforcement notice from Shanghai Financial Court, stating that China CITIC Dalian, as the enforcement applicant, has submitted its Application for Compulsory Enforcement to Shanghai Financial Court. The applicant sought to enforce the outstanding loan principal of approximately RMB194 million owed by Dalian Shengbei, the interest, penalty interest and other amounts as of 25 April 2025, totaling approximately RMB270 million; and the interest, penalty interest and other amounts from 25 April 2025 until the date of actual repayment; and the relevant expenses incurred in realizing its claims. Meanwhile, an application is made for the enforcement of the secured property in order to be repaid in priority.

For details, please refer to the Company’s announcements dated 2 June 2025, 6 June 2025 and 3 July 2025.

5. Loan from Northern Trust

The Company’s subsidiaries received a Civil Complaint from the Secondary Intermediate People’s Court of Tianjin filed by Northern International Trust Co., Ltd. (the “**Plaintiff**”) against Dalian Software Park Rongtai Development Co., Ltd. (大連軟件園榮泰開發有限公司) (“**Defendant 1, Borrower and Mortgagor**”), Zhengzhou Yida Technology New City Development Co., Ltd. (鄭州億達科技新城發展有限公司) (“**Defendant 2, Co-Borrower and Mortgagor**”), Dalian Software Park Rongyuan Development Co., Ltd. (大連軟件園榮源開發有限公司) (“**Defendant 3 and Mortgagor**”) and Dalian Jiadao Information Co., Ltd. (大連嘉道科技發展有限公司) (“**Defendant 4 and Mortgagor**”). The Plaintiff claims that: Defendant 1 and Defendant 2 repay the loan principal of approximately RMB482 million plus accrued interest, penalty interest and liquidated damages, totaling approximately RMB612 million as of 21 September 2025; the Plaintiff have priority in compensation from the proceeds of the auction or sale of the collateral provided by each Mortgagor, subject to the agreed mortgage amount; and Defendant 1 and Defendant 2 bear the expenses incurred by the Plaintiff in realizing its claims.

For details, please refer to the Company’s announcements dated 17 October 2025 and 22 December 2025.

6. Debt Restructuring for Great Wall Asset Management

The Company's subsidiaries received a Civil Complaint from the Huangpu District People's Court of Shanghai, in which China Great Wall Asset Management Co. Ltd. (中國長城資產管理有限公司) Dalian Office (the "**Plaintiff**") sued Dalian Shenghe Property Development Company Limited (大連聖和房地產開發有限公司) ("**Defendant 1**"), Dalian Software Park Rongda Development Co., Ltd. (大連軟件園榮達開發有限公司) ("**Defendant 2**"), and Yida Development Company Limited (億達發展有限公司) ("**Defendant 3**"). The Plaintiff requested the court to order: Defendant 1 and Defendant 2 repay the principal of RMB294 million, as well as debt restructuring proceeds, liquidated damages and penalty interest up to the date of actual repayment; the Supplemental Agreement to the Mortgage Contract be confirmed to be legal and valid, and the Plaintiff be entitled to priority in compensation from the proceeds of the auction or sale of the collateral provided by Defendant 2 subject to the amount as above mentioned; Defendant 3 undertake joint and several guarantee liability; and the three Defendants jointly bear the litigation costs.

For details, please refer to the Company's announcements dated 31 December 2025 and 2 February 2026.

Pre-Emptive Rights

There are no provisions for pre-emptive rights over shares of the Company (the "**Shares**") under the Company's Articles of Association (the "**Articles of Association**") or the laws of Cayman Islands where the Company is incorporated.

Professional Tax Advice Recommended

If shareholders of the Company (the "**Shareholders**") are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult a professional adviser.

Permitted Indemnity Provision

The Articles of Association provide that each Director, secretary or other senior officer of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them may incur or sustain in or about the execution of the duties in their respective offices. The Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors. Save as disclosed in this report, the Company has not come into any permitted indemnity provision with the Directors.

Equity-linked Agreements

During the year ended 31 December 2025, no equity-linked agreements were entered into by the Company or subsisted at the end of the year.

Share Option Scheme

During the year ended 31 December 2025, no share option schemes were adopted by the Group.

Directors' Report (continued)

Directors and Directors' Service Contracts

The Directors during the Year and up to the date of this annual report are:

Executive Directors

Mr. Jiang Xiuwen (*Chairman and Chief Executive Officer*)

Mr. Yuan Wensheng

Non-Executive Directors

Mr. Lu Jianhua (*vice chairman*)

Mr. Wang Gang

Ms. Jiang Qian

Independent Non-Executive Directors

Mr. Guo Shaomu

Mr. Han Gensheng (*resigned on 13 January 2025*)

Mr. Tong Wing Chi (*appointed on 13 January 2025*)

Mr. Chen Yi Chuan (*appointed on 13 January 2025*)

Mr. Jiang Xiuwen, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 1 June 2023. Mr. Yuan Wensheng, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 31 March 2026. Mr. Lu Jianhua, a non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 29 September 2024. Mr. Wang Gang, a non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 26 March 2024. Ms. Jiang Qian, being the non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 11 February 2025. Mr. Guo Shaomu, an independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 27 June 2023. Mr. Tong Wing Chi, an independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 13 January 2025. Mr. Chen Yi Chuan, an independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 13 January 2025. None of the Directors, including Directors being proposed for re-election at the forthcoming annual general meeting, has a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payments of compensation other than statutory compensation.

In accordance with Articles 83(3) and 84(1)(2) of the Articles of Association, Mr. Yuan Wensheng, Ms. Jiang Qian and Mr. Guo Shaomu shall retire and being eligible, intend to offer themselves for re-election at the AGM.

Remuneration of Directors and Five Highest Paid Individuals

The remuneration of the Directors is decided by the Board with reference to the recommendation given by the remuneration committee of the Company (the “**Remuneration Committee**”), having regard to their skills and knowledge, their job responsibilities, level of their involvement in the Group’s affairs, their individual performance and comparable market statistics. For the year ended 31 December 2025, the details of the remuneration of the Directors and five highest paid individuals of the Group are set out in notes 9 and 10 to the financial statements of the Group, respectively.

Directors’ Interests in Contracts of Significance

Save as those transactions disclosed in the paragraph headed “Related Party Transactions” below, no transaction, arrangement or contracts of significance in relation to the Group’s business to which the Company, any of its subsidiary, or its holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Directors’ Interests in a Competing Business

As at 31 December 2025, none of the Directors had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Controlling Shareholders’ Interests in Contract of Significance

Save as disclosed in the section headed “Connected Transactions” below, there was no contract of significance in relation to the Group’s business to which the Company, any of its subsidiaries or its holding company was a party and in which a controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries was entered into during the Year or subsisted at the end of the Year.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Connected Transactions

Loan Agreement

On 3 December 2019, Dalian Shengyue Property Development Company Limited, a wholly-owned subsidiary of the Company (the “**Borrower**”) entered into the loan agreement (the “**Loan Agreement**”) with Shanghai Jiayu Medical Investment Management Co., Ltd. (the “**Lender**”) pursuant to which the Lender agreed to provide the loan of up to RMB288,500,000 in three tranches, bearing interest rate of 8% per annum. The Group also entered into the pledge agreement and the guarantee agreement in favor of the Lender as security for the loan. For details, please refer to the announcements of the Company dated 3 December 2019 and 15 January 2020, and the circular on 30 December 2019.

On 4 February 2020, the Borrower drew down the first tranche loan of RMB230,000,000 (the “**First Tranche Loan**”) under the Loan Agreement. Out of the First Tranche Loan, the term for RMB22,000,000 (the “**Relevant Portion of the First Tranche Loan**”) shall end on or before 18 February 2020.

Directors' Report (continued)

On 18 February 2020, the Borrower entered into the first extension agreement (the “**First Extension Agreement**”) with the Lender, extending the repayment date for the Relevant Portion of the First Tranche Loan from 18 February 2020 to 30 June 2020, or two (2) working days after the Borrower has obtained other alternative financing in the amount equivalent to the Relevant Portion of the First Tranche Loan (whichever is earlier), with all other terms in the Loan Agreement remaining valid and in force. For details, please refer to the announcement dated 18 February 2020.

On 9 June 2020, the Borrower and the Lender entered into the second extension agreement (the “**Second Extension Agreement**”) in order to extend the repayment date of the First Tranche Loan of RMB230,000,000 to 31 March 2021 and revised the loan amount by taking into account the unpaid interests charged on the First Tranche Loan. All other terms in the Loan Agreement shall remain valid and in force. For details, please refer to the announcement of the Company dated 9 June 2020.

On 11 March 2021, the Borrower and the Lender entered into the third extension agreement (the “**Third Extension Agreement**”) in order to extend the repayment date of the First Tranche Loan of RMB230,000,000 to 31 October 2021 and revised the loan amount by taking into account the unpaid interests charged on the First Tranche Loan. All other terms in the Loan Agreement shall remain valid and in force. For details, please refer to the announcements of the Company dated 11 March 2021 and 1 June 2021 and the circular dated 30 April 2021.

On 31 March 2022, the Borrower and the Lender entered into the fourth extension agreement (the “**Fourth Extension Agreement**”) in order to extend the repayment date to 30 June 2023, and revised the loan interest rate from 8% to 6% per annum and all other terms of the Loan Agreement remained valid. For details, please refer to the announcement of the Company dated 31 March 2022 and the circular of the Company dated 19 May 2022.

On 31 March 2023, the Borrower and the Lender entered into the fifth extension agreement (the “**Fifth Extension Agreement**”) in order to extend the repayment date to 31 December 2023, and reduced the loan interest rate from 6% to 2% per annum for the period from 1 January 2022 to 31 December 2022, and all other terms of the Loan Agreement remained valid. For details, please refer to the announcement of the Company dated 31 March 2023 and the circular of the Company dated 14 June 2023.

The Lender is a direct wholly owned subsidiary of China Minsheng Jiaye Investment Co., Ltd., the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules and the transactions under the Loan Agreement, the First Extension Agreement, the Second Extension Agreement, the Third Extension Agreement, the Fourth Extension Agreement and the Fifth Extension Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules and the Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Related Party Transactions

During the year ended 31 December 2025, the Group entered into transactions with related parties as disclosed in notes to the consolidated financial statements of the Group. The transactions set out in note 40(a) Related Party Transactions do not constitute connected transactions of the Group, and the transactions set out in note 40(b) constitute fully exempt connected transactions of the Group, for all of which the applicable requirements under the Listing Rules have been duly complied with.

Directors' Report (continued)

Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares or Debentures of the Company or Any of Its Associated Corporations

As at 31 December 2025, the interests and short positions of each of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix C3 to the Listing Rules were as follows:

(I) Interest in the Shares and Underlying Shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage in the Company's issued share capital
Mr. Jiang Xiuwen	Interest of a controlled corporation	68,600,000(L) ⁽²⁾	2.65%
Mr. Wang Gang	Interest of a controlled corporation	69,200,000(L) ⁽³⁾	2.68%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) Mr. Jiang Xiuwen beneficially owns the entire issued share capital of Grace Excellence Limited, Everest Everlasting Limited and Wonderful High Limited, which, in total own 74.21% of the issued share capital of Keen High Keen Source Limited. Keen High Keen Source Limited owns 2.65% of the issued share capital of the Company. By virtue of the SFO, Mr. Jiang Xiuwen is deemed to be interested in the Shares held by Keen High Keen Source Limited.
- (3) Mr. Wang Gang beneficially owns the entire issued share capital of Mighty Equity Limited, which in turn owns 100% of the issued share capital of Grace Sky Harmony Limited. Grace Sky Harmony Limited owns 2.68% of the issued share capital of the Company. By virtue of the SFO, Mr. Wang Gang is deemed to be interested in the Shares held by Grace Sky Harmony Limited.

(II) Interest in Associated Corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage in the associated corporations' issued share capital
Mr. Jiang Xiuwen	Keen High Keen Source Limited	Interest of a controlled Corporation	5,180(L) ⁽²⁾	74.21%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) These shares held by Grace Excellence Limited with 3,000 shares, Everest Everlasting Limited with 180 shares and Wonderful High Limited with 2,000 shares, which are wholly owned by Mr. Jiang Xiuwen.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any individual, family, corporation or other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report (continued)

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2025, so far as the Directors are aware, the following persons (other than the Directors and the chief executives of the Company) or institutions had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage in the Company's issued share capital
Jiayou (International) Investment Limited ^{(2) (3)}	Beneficial owner	1,581,485,750 (L)	61.20%
Jiahuang (Holdings) Investment Limited ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
Shanghai Pinzui Enterprise Management Ltd. ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
China Minsheng Jiaye Investment Co., Ltd. ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
China Minsheng Investment Corp., Ltd. ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
Yeung Mei Lee	Joint and several receivers	516,764,000 (L)	19.99%
Chen Mingxiao	Joint and several receivers	516,764,000 (L)	19.99%
Sun Yinhuan ⁽⁴⁾	Founder of a discretionary trust	241,400,000 (L)	9.34%
TMF (Cayman) Ltd. ⁽⁴⁾	Trustee	241,400,000 (L)	9.34%
Right Ying Holdings Limited ⁽⁴⁾	Interest of controlled corporation	241,400,000 (L)	9.34%
Right Won Management Limited ⁽⁴⁾	Beneficial owner	241,400,000 (L)	9.34%

Notes:

- (1) The letter "L" denotes the person's long position in such shares.
- (2) China Minsheng Investment Corp., Ltd ("China Minsheng") owns 67.26% share equity of China Minsheng Jiaye Investment Co., Ltd ("CMIG Jiaye"). Shanghai Pinzui Enterprise Management Ltd. ("Pinzui") is wholly-owned by CMIG Jiaye. Jiahuang (Holdings) Investment Limited ("Jiahuang") is wholly-owned by Pinzui. Jiayou (International) Investment Limited ("Jiayou") is wholly-owned by Jiahuang. By virtue of the SFO, China Minsheng, CMIG Jiaye, Pinzui and Jiahuang are deemed to hold equity in 1,581,485,750 Shares held by Jiayou.
- (3) 516,764,000 Charged Shares were charged by Jiayou in favour of the Aetos Parties. On 11 May 2022, Mr. Chen Mingxiao (Jason Chen) and Ms. Yeung Mei Lee (Kitty Yeung) were appointed as the joint and several receivers of the Charged Shares.
- (4) The entire issued share capital of Right Won Management Limited is held by TMF (Cayman) Ltd. (as the trustee of The Right Ying Trust) through Right Ying Holdings Limited. The entire issued share capital of Right Ying Holdings Limited is held by TMF (Cayman) Ltd. The Right Ying Trust is a discretionary trust established by Mr. Sun Yinhuan on 14 November 2018. The beneficiaries of The Right Ying Trust include Mr. Sun Yinhuan and certain of his family members.
- (5) Mr. Lu Jianhua, a non-executive Director, is also a director and the chairman of the board of directors of CMIG Jiaye. Save as disclosed, as at the date of this report, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 31 December 2025, there was no other person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2025 and up to the date of this annual report, the Company has maintained a sufficient public float of at least 25% of the total number of issued Shares as required under the Listing Rules.

Disclosure Pursuant to Rule 13.21 of the Listing Rules

Breach of Significant Loan Agreements

Reference is made to the announcements of the Company dated 10 April 2019, 22 April 2019, 10 June 2019, 23 February 2020, 23 April 2020, 5 March 2021, 4 May 2021, 30 June 2022, 3 January 2023, 14 May 2023, 2 June 2025, 6 June 2025, 3 July 2025, 17 October 2025, 22 December 2025, 31 December 2025, 7 January 2026, 2 February 2026, 3 March 2026 and 9 March 2026, the interim reports of the Company for the six months ended 30 June 2019, 30 June 2020, 30 June 2021, 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025, and the annual reports of the Company for the years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

1. In April 2019, China Minsheng Investment Corp., Ltd. (“**China Minsheng**”), the controlling shareholder of the Company, had faced liquidity difficulties and technically resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group.
2. In February 2020, Mr. Chen Donghui, a previous executive Director, was detained by the authorities of the PRC. It has further resulted in the occurrence of certain triggering events under certain loan agreements.
3. On 17 April 2017, the Company issued the 2020 Notes. The remaining outstanding principal amount of USD52,854,000 was due on 20 April 2020, and the Company had repaid in full on 24 April 2020 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest) of the 2022 Notes on 16 April 2021, and the Company had repaid in full on 4 May 2021 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest), semi-annual interest and the principal amount of USD45,000,000 (together with the accrued interest) of the 2022 Notes on 27 August 2021, 27 September 2021 and 27 December 2021, respectively, and the Company's failure to make such payments constituted an event of default. Pursuant to the Consent Solicitation completed on 16 February 2022, among other things, the aforesaid events of defaults were waived. The non-payment and non-payment of related interest constituted events of default. On 8 March 2024, the trustee was instructed by the Holders, holding at least 25% of the aggregate principal amount of the Senior Notes and sent a notice (the “**Notes Acceleration Notice**”) to the Company by virtue of the non-payment of certain consent fee due, all lieu of accrued interest due and accrued interest due. Upon receiving the Notes Acceleration Notice, the principal, the premium (if any), and accrued and unpaid interest on the Senior Notes (collectively, the “**Overdue Amount**”) became immediately due and payable on demand and the Company shall pay default interest in cash to the Holders on the Overdue Amount at the rate of 2% per annum over the interest rate of the Senior Notes and following the date on which the Overdue Amount triggered an event of default up to but excluding the date on which the Overdue Amount are paid or, if applicable, are waived by the Holders.

Directors' Report (continued)

4. According to the Final Award issued by the Hong Kong International Arbitration Centre dated 20 October 2020, the Respondents were required to pay the put option price and interest to Aetos Parties (as the Claimant). The failure to comply with the Final Award by the Respondents within 90 days resulted in a technical default on the 2022 Notes. In March 2021, the Settlement Agreement was entered into by the Respondents and the Claimant, and the investors of the 2022 Notes have agreed to exempt the breach of contract. According to the payment schedule and the entitled grace period of ten days in the Settlement Agreement, USD50,000,000 (together with the accrued interests) shall be paid before 10 May 2021, which was repaid in full on 24 May 2021 by the Respondents. On 26 May 2021, the Claimant provided a written confirmation that the delay in payment will not give rise to an event of default. According to the payment schedule and the entitled grace period of ten days in the Settlement Agreement, USD50,000,000 shall be paid before 10 June 2021 and USD40,000,000 (together with the accrued interests) shall be paid before 10 October 2021. As at 31 December 2025, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,579,510,000.
5. The Company's subsidiary, Dalian Shengbei Development Co., Ltd. ("**Dalian Shengbei**"), failed to repay the overdue loan principal of approximately RMB194.3276 million and accrued unpaid interest to China CITIC Bank Co., Ltd., Dalian Branch ("**China CITIC Dalian**") within the time limit stipulated in the loan contract. Dalian Shengbei's failure to pay the principal and interest under the loan contract on time constitutes an event of default under the loan contract.
6. Since May 2022, Northern International Trust Co., Ltd. (the "**Northern Trust**") (as the creditor) has successively granted a project loan of RMB1.014 billion (the "**Northern Trust Loan**") to Dalian Software Park Rongtai Development Co., Ltd. (大連軟件園榮泰開發有限公司, "**Rongtai Company**") (as the debtor), an indirect wholly-owned subsidiary of the Company, at an interest rate of 12% and with a maturity date of 17 September 2025. The outstanding loan principal and corresponding interest failed to be repaid upon the loan maturity date amounted to approximately RMB504 million. As of the date of this Annual Report, the remaining outstanding loan principal of Northern Trust is approximately RMB482 million and the corresponding interest; the overdue borrowing mentioned above has constituted relevant debt default.
7. In September 2020, China Great Wall Asset Management Co. Ltd. (中國長城資產管理有限公司) Dalian Office ("**Great Wall AMC**") (as the creditor), Dalian Shenghe Property Development Company Limited (大連聖和房地產開發有限公司) ("**Dalian Shenghe**"), an indirect wholly-owned subsidiary of the Company, Dalian Software Park Rongda Development Co., Ltd. (大連軟件園榮達開發有限公司) ("**Dalian Rongda**") and the Company entered into a debt restructuring agreement (the "**Debt Restructuring Agreement**"). Pursuant to this, Great Wall AMC is entitled to a creditor's right against Dalian Shenghe and Dalian Rongda in the principal amount of RMB294 million at an annual interest rate of 11%, for a period of twenty-four months, with the maturity date being 28 September 2022. On 31 December 2021, after negotiations and upon reaching a consensus, the parties entered into a supplemental agreement to the Debt Restructuring Agreement, pursuant to which the maturity date was extended to 28 September 2023 and the annual interest rate was adjusted to 6%. As of the date of this Annual Report, the principal balance of the debt restructuring was RMB294 million. Dalian Shenghe and Dalian Rongda failed to repay the loan in accordance with the time limit stipulated under the Debt Restructuring Agreement, resulting in a debt default.
8. In October 2022, China Guangfa Bank Co., Ltd., Dalian Branch ("**Guangfa Dalian**") (as the creditor) extended a loan of RMB 93 million (the "**Guangfa Loan**") to the Company's indirect wholly-owned subsidiary, Yida Construction Group Co., Ltd. ("**Yida Construction**") (as the debtor and pledgor). The loan interest rate was 4%, and the loan maturity date was 27 May, 2027. Yida Construction failed to repay the loan principal and interest of the most recent installment to Guangfa Dalian, resulting in an overdue loan. As of the date of this Annual Report, the principal balance of the Guangfa Loan is RMB78 million, and the aforementioned overdue loan has constituted a debt default.
9. In May 2017, Bohai International Trust Co., Ltd (the "**Bohai Trust**") (as creditor) has entered into a trust fund loan contract with Dalian Gaoji Property Development Company Limited (the "**Gaoji Company**"), an indirect wholly-owned subsidiary of the Company. The contract stipulated a total loan amount of RMB1.6 billion. Upon signing the contract, after several disbursements, repayments and changes to the contract, the outstanding principal balance of the loan is RMB498 million, at an interest rate of 4% and with a maturity date of 2 May 2025. As of the date of this Annual Report, the outstanding principal of the Loan is RMB498 million and the corresponding interest.

Directors' Report (continued)

- On 8 December 2023, the Export-Import Bank of China Liaoning Branch (the “**CEXIM Liaoning Branch**”) (as creditor) and Yida Development Limited (“**Yida Development**”), an indirect wholly-owned subsidiary of the Company (as debtor), entered into a debt restructuring agreement. The debt restructuring agreement stipulates a principal amount is RMB102.6 million, an annual interest rate of 4%, and a loan maturity date of 20 November 2028. Yida Development failed to repay the loan principal and interest of the most recent installment to CEXIM Liaoning Branch, resulting in the loan being overdue. As of the date of this Annual Report, the principal balance under the debt restructuring agreement is RMB102.2 million.
- Since 2020, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled payment dates. Although the Group managed to settle some of the Borrowings Overdue during the Year after the due dates, an aggregate principal amount of RMB6,517,634,000 still remained unsettled as of 31 December 2025.

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounting to RMB4,963,172,000 in total as at 31 December 2025 becoming immediately repayable if requested by the lenders. The operations of our Group, including property pre-sales and collections, remained normal. The Company is in ongoing negotiations with relevant banks and financial institutions for future financing arrangements with the Company, while at the same time seeking alternative sources of financing.

Specific Performance of the Controlling Shareholder

References are made to the announcement of the Company dated 5 March 2021, the interim reports of the Company for the six months ended 30 June 2021, 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025, and the annual reports of the Company for the years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024. Pursuant to the Settlement Agreement as disclosed under the section headed “Litigation and Arbitration” in this annual report, China Minsheng or its subsidiaries are required to be the beneficial owner of 35% or more of the total outstanding Shares (the “**Change of Control**”), failing which the outstanding balance of the Total Payment Obligation, together with accrued interest and all other amounts accrued or outstanding will be due and payable on the thirtieth day following the Change of Control. For details, please refer to the announcement of the Company dated 5 March 2021.

Pledging of Shares by the Controlling Shareholder

On 11 March 2021, Jiayou (International) Investment Limited (“**Jiayou**”) executed a share charge of approximately 19.99% (the “**Company Share Charge**”) in favour of the Aetos Parties, pursuant to which Jiayou agreed to charge 516,764,000 Shares held by it in favour of Aetos Parties as security for the obligation of the Respondents under the Settlement Agreement. For details, please refer to the announcements of the Company dated 5 March 2021 and 11 March 2021.

On 12 May 2022, the Company received a letter regarding the appointment of the joint and several receivers over 516,764,000 Shares (representing approximately 19.99% of the total issued shares of the Company, the “**Charged Shares**”) under the terms of the Company Share Charge on 11 March 2021, which stated that Jiayou shall no longer have any power or authority to deal with the Charged Shares nor exercise any rights attached to or in relation to the Charged Shares unless prior consent or authorization is given by the receivers. For details, please refer to the announcement of the Company dated 13 May 2022.

If the obligations under Rules 13.17, 13.18 and 13.19 of the Listing Rules continue, the Company will continue to make relevant disclosures in its subsequent interim and annual reports in accordance with Rule 13.21 of the Listing Rules, and will promptly disclose any further developments regarding such matter through additional announcements as required by the Listing Rules.

Details of the Disclaimer of Opinion and Management's View

In relation to the disclaimer of opinion (the “**Disclaimer of Opinion**”) issued by the auditor of the Company, Prism Hong Kong Limited (the “**Prism**”) as detailed in Note 2.1(c) of the notes to the consolidated financial statements (“**Note 2.1(c)**”), the Directors are aware that the Group might have financial uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

Directors' Report (continued)

In view of such circumstances, the Board and the management of the Group (the “**Management**”) have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. In order to mitigate the liquidity pressure and improve the financial position of the Group and to remediate the overdue repayments to the lenders, the Management has also formulated plans and measures to address the Disclaimer of Opinion (the “**Plans and Measures**”). The Management has considered the Group’s cash flow projection (the “**Cash Flow Forecast**”) which covered a period of not less than twelve months from 31 December 2025 and which has taken into account the Plans and Measures in assessing the sufficiency of the Group’s working capital requirements. After making due and careful enquiries and having performed sufficient work to assess the Group’s future liquidity and having considered the Plans and Measures, the Management considered that the Group will have sufficient financial sources to continue as a going concern (the “**Going Concern Assumption**”). However, as the Plans and Measures are still ongoing, the successful implementation of these are subject to multiple significant uncertainties, as described in Note 2.1(c), which are crucial to the Going Concern Assumption. In this respect, the Directors agreed with Prism to issue the Disclaimer of Opinion as disclosed in this report.

Plans and Measures to Address the Disclaimer of Opinion

The Directors have formulated the Plans and Measures in order to mitigate the liquidity pressure and improve the financial position of the Group and to remediate the overdue repayments to the lenders, as detailed in the annual report of the Company for the year ended 31 December 2024. Set out below is the latest progress of the Plans and Measures during the Year:

1. *The Aetos Parties Matter*

In the first half of 2025, the Group held a friendly negotiation with the Aetos Parties on debt settlement. Although no effective settlement proposal was reached, both parties expressed their willingness to continue to maintain communication in order to seek for a solution. As of the date of this report, the Aetos Parties have not presented a winding-up petition to the court. The Group and the Aetos Parties have been and are still under negotiation on the possible solution(s). The Company will make further announcement to keep its shareholders and potential investors informed of any progress of the Aetos Parties Matter as and when appropriate.

2. *The Borrowings Overdue*

As of the date of this report, the Group has been actively communicating with the financial institutions in relation to the repayment plan of the Borrowings Overdue. However, due to the downturn of the real estate sector, difficulties in asset disposals, cash flow pressure and the long debt cycle, the progress of negotiation on the renewal or extension of the Borrowings Overdue has been slow. Loans from the China CITIC Dalian, the Northern Trust, the Great Wall Asset Management, the Guangfa Dalian, the Bohai Trust and the CEXIM Liaoning Branch have been successively defaulted (for details, please refer to the section of “Breaches of Significant Loan Agreements”). As at the date of this report, the Group has continuously conducted discussions with the relevant financial institutions, aiming to reach an effective debt restructuring, debt extension arrangements or debt resolution plans.

3. *Net Current Liabilities*

With regard to the net current liabilities of the Group, the Group is taking appropriate measures to address concerns over its liquidity. The Group has strengthened its management efforts in various aspects, including sales, collection of receivables, debt resolution, cost control and asset revitalisation by formulating relevant policies, setting out clear objectives and identifying responsible persons. Meanwhile the Group is still striving to promote the disposal of assets. Taking into account factors such as economic cycle and the downturn of the industry, although the aforesaid Plans and Measures are the best solutions that the Group can adopt, it will take a long time to yield material results. Practical measures implemented by the Company are as follows:

Directors' Report (continued)

- (1) Accelerating sales collection: The Group has formulated and implemented business strategy plans, including channel collaboration, owner activities, and price support, with a focus on accelerating property sales. As of 31 December 2025, the Group's contracted sales was approximately RMB763 million, and the Group's attributable contracted sales was approximately RMB716 million.
- (2) Cost control and continued cooperation with business partners: The Group has taken measures to strengthen supplier management and target cost control, strictly control project costs and expenses, and strengthen the collection of accounts receivable through various means. The Group continues to streamline its organisational management structure and reduce labour costs.
- (3) Disposal of assets: The Group continues to actively deepen collaboration with capital partners, expand its portfolio of key clients, and explore potential opportunities for disposal of assets to generate additional cash inflows. As disclosed in the announcements of the Company dated 27 January 2025, 13 October 2025 and 29 December 2025 and the circular dated 8 December 2025, Dalian Science and Technology City Changde Development Co., Ltd. ("**Dalian ChangDe**"), a wholly-owned subsidiary of the Company, and Dalian Services Outsourcing Base Development Company Limited ("**Outsourcing Company**") entered into the Offset Agreement with Dalian Ganjing Hengye Development Co., Ltd. ("**Dalian HengYe**"), which is wholly-owned by Dalian Finance Bureau, pursuant to which Dalian ChangDe has conditionally agreed to transfer all interests in the Subject Property to Dalian HengYe, and Dalian HengYe has conditionally agreed to offset the Outstanding Amount totaling RMB275.78 million as the Consideration for the transfer of the Property. The aforementioned very substantial disposal was approved at the extraordinary general meeting held on 29 December 2025.

The Company will continue to progress the Plans and Measures. In relation to the Aetos Parties Matter and the Borrowings Overdue, the Company will continue to pursue amicable negotiations and maintain debt stability as the basis for discussions, while taking into account market conditions and the Group's operating conditions, to negotiate with creditors mutually beneficial debt settlement arrangements and facilitate the implementation of the relevant plans. However, the progress remains subject to industry conditions and the specific factors involved in the negotiations among the relevant parties. In respect of the Group's net current liabilities, the Company will continue to strengthen cost control, accelerate sales collection, and, where appropriate and under suitable conditions, dispose of assets in order to alleviate liquidity pressure. The Directors will continue to review the effectiveness of the Plans and Measures and, in response to changes in market conditions, formulate and implement solutions, with a view to eliminating the relevant uncertainties.

Although the Company has been formulating the Plans and Measures as mentioned above and such Plans and Measures are still on-going, the successful implementation of these Plans and Measures is subject to multiple significant uncertainties, as described in Note 2.1(c), which are critical to the Going Concern Assumption. In this respect and because of the significance, Disclaimer of Opinion is still repeated for the consolidated financial statements for the year ended 31 December 2025. Nevertheless, the Directors are in the opinion that the Company's actions taken and proposed actions to be taken to address the multiple material uncertainties in relation to the Company's capability to continue as a going concern, if successfully implemented, would help to mitigate these uncertainties.

The Directors will continuously work with Prism to address the Disclaimer of Opinion as soon as practicable.

Auditor's View on the Disclaimer of Opinion

Prism is of the view that because of the significance of the matter described in the Basis for Disclaimer of Opinion section of the auditor's report, Prism has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements for the year ended 31 December 2025.

Prism is of the view that (i) any future modification of the auditor's report due to multiple uncertainties relating to going concern would depend on new events and/or future developments in relation to the Company's actions taken and proposed actions to be taken to address the multiple material uncertainties as described in Note 2.1(c); and (ii) new events and/or future developments in relation to such actions taken and proposed actions to be taken may affect the assessment on adoption of going concern basis for preparation of the consolidated financial statements.

Directors' Report (continued)

Nevertheless, Prism does not disagree that the Company's actions taken and proposed actions to be taken to address the multiple material uncertainties in relation to the Company's capability to continue as a going concern, if successfully implemented, would help to mitigate these uncertainties.

Audit Committee's View on the Disclaimer of Opinion

The Audit Committee has reviewed the Company's annual results for the year ended 31 December 2025 and this annual report. In particular, the Audit Committee has critically reviewed the Disclaimer of Opinion, the Cash Flow Forecast and the Plans and Measures. The Audit Committee also had discussions with Prism regarding the Disclaimer of Opinion, by which it considered and agreed the basis for arriving at the Disclaimer of Opinion. Based on the Plans and Measures formulated by the Directors to ease the Group's liquidity pressure and the latest progress of the Plans and Measures during the Year since the year ended 31 December 2021, the Audit Committee concurs with the management's position concerning their judgment in major areas including the Going Concern Assumption on the basis that (i) the Company has taken or proposed to take actions to address the Disclaimer of Opinion; (ii) the management has been and is still actively negotiating the restructuring or extension of the Group's debts; and (iii) neither the Company nor any of its operating subsidiaries is the subject of any winding-up proceedings as at the date of this report. The Audit Committee also considers that the management should implement the Plans and Measures with the intention of mitigating the Group's liquidity pressure and removing the Disclaimer of Opinion, and report to the Audit Committee any material issues affecting the Group's going concern on a timely basis.

Auditor

The financial statements of the Company for the year ended 31 December 2025 have been audited by the Company's auditor, Prism Hong Kong Limited.

The Company was unable to reach a consensus with PricewaterhouseCoopers ("PwC"), the former auditor of the Company, on the auditor's remuneration for the financial year ended 31 December 2023, and on 31 August 2023, the Board resolved not to re-appoint PwC as the auditor of the Company.

On 25 March 2024, RSM Hong Kong ("RSM") was appointed as the Company's auditor subject to Shareholders' approval. However, as RSM was unable to complete the audit work according to the agreed schedule, the Company communicated and reached a mutual understanding with RSM that RSM would resign as auditor of the Company with effect from 24 December 2024.

Following the recommendation of the Audit Committee, the Board has resolved to appoint Prism as the new auditor of the Company with effect from 24 December 2024 to fill the casual vacancy arising from the resignation of RSM. On 2 June 2025, Prism was re-appointed as the auditor of the Company for the year ended 31 December 2025 subject to Shareholders' approval.

For details, please refer to the announcements of the Company dated 23 February 2024, 25 March 2024, 31 May 2024, 1 July 2024, 2 August 2024, 30 August 2024, 30 September 2024, 31 October 2024, 6 November 2024, 24 December 2024 and 2 June 2025, the circular of the Company dated 7 March 2024, the interim reports of the Company for the six months ended 30 June 2023, 30 June 2024 and 30 June 2025, and the annual reports of the Company for the years ended 31 December 2023 and 31 December 2024.

Save as disclosed, there are no other changes to the auditors of the Company in the preceding three years.

By order of the Board

Yida China Holdings Limited

Jiang Xiuwen

Chairman and Chief Executive Officer

Hong Kong, 31 March 2026

Corporate Governance Report

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2025.

The Company recognizes the value and importance of achieving high corporate governance standards to enhance corporate performance and accountability. The Board will strive to uphold the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders of the Company.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules. During the Year, except for the deviation from code provision C.2.1 and B.3.5 of the CG Code in respect of the section headed “Chairman and Chief Executive Officer” and the section “Nomination Committee”, the Company has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the CG Code.

(A) The Board of Directors

Board Composition

During the Year and up to the date of this annual report, the Board consisted of Mr. Jiang Xiuwen (Chairman and Chief Executive Officer) and Mr. Yuan Wensheng as the executive Directors; Mr. Lu Jianhua (vice chairman), Mr. Wang Gang and Ms. Jiang Qian as non-executive Directors; Mr. Guo Shaomu, Mr. Han Gensheng (resigned on 13 January 2025), Mr. Tong Wing Chi (appointed on 13 January 2025) and Mr. Chen Yi Chuan (appointed on 13 January 2025) as the independent non-executive Directors. The biographical details of the Directors as at the date of this report are set out in the section headed “Profile of Directors and Senior Management” of this annual report. The overall management of the Company’s operation is vested in the Board. Save as disclosed in this annual report, to the knowledge of the Company, the Board members have no financial, business, family or other material relationship with each other.

Board’s Responsibilities

The Board takes on the responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior management. The Board has established three Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. All relevant terms of reference are published on the websites of the Stock Exchange and the Company. All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the best interests of the Company and its shareholders at all times.

Liability insurance for Directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

Delegation by the Board

The management, consisting of the Company’s executive Directors along with other senior management officers, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and senior management officers meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Corporate Governance Report (continued)

Compliance with the Model Code for Directors' Securities Transactions

The Company has adopted the Model Code as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the Year. The Company has also established written guidelines on no less exacting terms than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by the relevant employees, including the Directors, who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by any employees was noted by the Company.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Pursuant to code provision C.2.4 of the CG Code, the chairman plays a leadership role in the Board and is responsible for the management and functioning of the Board. The chairman is also responsible for the formulation of the Group's strategic vision, direction and objectives as well as participating in the Group's strategic and key operational decision-making process. The chairman is also responsible for establishing good corporate governance practices and procedures for the Company. On the other hand, the chief executive officer primarily focuses on developing and implementing objectives and policies approved and delegated by the Board. The chief executive officer is also responsible for the Group's day-to-day management and operations and the formulation of the organization structure, control systems and internal procedures and processes of the Company for the Board's approval. Mr. Jiang Xiuwen, the chief executive officer of the Company, was appointed as the chairman of the Company on 22 June 2018 and is responsible for overseeing the operations of the Group. The Board has considered the merits of separating the roles of the chairman and chief executive officer but is of the view that it is in the best interests of the Company to vest the two roles in Mr. Jiang Xiuwen. The Board considers vesting the two roles in Mr. Jiang Xiuwen will ensure the Company is under a consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Board will nevertheless review the structure from time to time in light of the prevailing circumstances.

Independent Non-Executive Directors

On 26 July 2024, Mr. Yip Wai Ming has resigned as an independent non-executive Director of the Company and ceased to be the chairman of the Audit Committee. Following the resignation of Mr. Yip, the Company failed to meet the requirements of Rules 3.10(1), 3.10(2), 3.10A and 3.21 of the Listing Rules. On 13 January 2025, Mr. Han Gensheng has resigned as an independent non-executive Director of the Company and ceased to be a member of the Audit Committee. On the same date, the Company has appointed Mr. Chen Yi Chuan and Mr. Tong Wing Chi as independent non-executive Directors.

Since 13 January 2025, the Board met the requirements of the Listing Rules and the Company appointed three independent non-executive Directors, representing more than one-third of the Board, of which Mr. Chen Yi Chuan possessed appropriate professional qualifications, accounting and related financial management expertise.

Each of Mr. Tong Wing Chi and Mr. Chen Yi Chuan, who have been appointed as independent non-executive Directors with effect from 13 January 2025, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 10 January 2025. Each of Mr. Tong Wing Chi and Mr. Chen Yi Chuan has confirmed that he understood his obligations as a director of the Company.

The Company has also received an annual written confirmation from each of the independent non-executive Directors in respect of their independence in accordance with the requirement under Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

Corporate Governance Report (continued)

All independent non-executive Directors of the Company possess extensive industry expertise, professional and management experience. They play a significant role in the Board by virtue of their independent judgment. They advise on the Company's strategies, performance and control. They are also members of various Board committees and devote sufficient amount of time and attention to the affairs of the Company.

Mechanisms for the Board to Obtain Independent Views and Opinions

The Company ensures the strong independence of the Board and a sound mechanism to assist the Board in obtaining independent views and opinions, so that the Board can effectively make independent judgments and improve the accountability and transparency of the Board to better protect the interests of shareholders. The specific mechanisms include that the appointment of independent non-executive Director shall be subject to the procedures and requirements of the nomination procedures of the Company, the Listing Rules and the regulatory requirements on the independence, qualifications and number of Directors and the diversity of the Board, and that its independence shall be reported to and confirmed in writing by the Company. The Nomination Committee assesses the independence of all independent non-executive Directors annually and confirms that each independent non-executive Director complies with the independence standards set out in the Listing Rules, and each member of the Nomination Committee shall refrain from assessing their own independence. The Company encourages Directors to independently contact and consult with the senior management of the Company. Directors of the Company are entitled to seek independent professional advice when performing their duties when necessary, and the costs shall be borne by the Company. Each independent non-executive Director shall notify the Company as soon as possible in case of any change in their personal information which may affect their independence. The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

Board Meetings and General Meetings

The Board meets regularly to discuss and formulate the overall strategy as well as the operational and financial performance of the Group. Directors may participate either in person or through electronic means of communications. Pursuant to code provision C.5.1 of the CG Code, meetings of the Board should be held at least four times a year at approximately quarterly intervals. During the Year, the Company held eight Board meetings. All Directors participated in the Board meetings. The attendance record of the Directors in the Board meetings is set out in the section headed "Meeting Attendance" in this annual report.

At least 14 days' notice will be given for a regular Board meeting. All Directors are provided with relevant materials relating to the matters in issue in advance before the meetings and have the opportunity to include matters in the agenda for Board meetings.

Directors can separately get access to the senior management and the company secretary at all time and may seek independent professional advice at the Company's expense. Pursuant to code provisions C.5.4 and C.5.5 of the CG Code, minutes of Board meetings and meetings of Board committees are kept by the company secretary of the meeting and such minutes are open for inspection at any reasonable time on reasonable notice by any Director. Minutes of Board meetings and meetings of Board committees record in sufficient detail the matters considered by the Board and decisions reached.

Pursuant to code provision C.5.7 of the CG Code, if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would not be dealt with by way of circulation of resolutions or by a committee (except an appropriate Board committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a formal Board meeting would be held. Executive Directors and independent non-executive Directors who have no material conflict of interest in the transaction would be present at such Board meeting.

The Board procedures are in compliance with the Articles of Association (the "Articles") of the Company, as well as relevant rules and regulations. During the Year, the Company held the 2024 and 2025 Annual General Meetings on 2 June 2025, and an extraordinary general meeting on 29 December 2025.

Corporate Governance Report (continued)

Appointment, Re-election and Removal of Directors

The procedures of appointment, re-election and removal of Directors are set out in the Articles of Association. The nomination committee of the Company (the “**Nomination Committee**”) is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or a letter of appointment with the Company for a term of three years and subject to his/her re-election by the Company at an annual general meeting upon retirement. The Articles of Association provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the following annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such meeting. Besides, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. In accordance with the Articles of Association, at every annual general meeting of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and being eligible to offer themselves for re-election.

In accordance with Articles 83(3) and 84(1)(2) of the Articles of Association, Mr. Yuan Wensheng, Ms. Jiang Qian and Mr. Guo Shaomu shall retire, and being eligible, intend to offer themselves for re-election as Directors at the AGM.

Induction and Continuing Development for Directors

Each newly appointed director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Directors are continually provided with information related to the latest developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities. Relevant training such as continuing briefing and professional development for Directors were also arranged by the Company and its legal adviser.

During the Year, all Directors, namely, Mr. Jiang Xiuwen, Mr. Yuan Wensheng, Mr. Lu Jianhua, Mr. Wang Gang, Ms. Jiang Qian, Mr. Guo Shaomu, Mr. Han Gensheng (resigned on 13 January 2025), Mr. Chen Yi Chuan (appointed on 13 January 2025) and Mr. Tong Wing Chi (appointed on 13 January 2025) have complied with code provision C.1.4 of the CG Code and participated in continuous professional development including attended a training course organized by the Company for Directors to update the Directors on the new amendments to the relevant code and the related Listing Rules. Some Directors also attended seminars, conferences and/or forums and read newspapers, journals, Company newsletters and updates relating to the economy, general business, real estate or Directors’ duties and responsibilities, etc.

Corporate Governance Report (continued)

Board Diversity Policy

The Board adopted a board diversity policy (the “**Board Diversity Policy**”) setting out the approach to achieve diversity on the Board. In designing the Board’s composition, the Company considered diversity of the Board members from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. With regard to gender diversity on the Board, we recognize the particular importance of gender diversity. As at 31 December 2025, the Board comprises one female Director and seven male Directors. The Board targeted to maintain at least the current level of approximately 10% female representative in the Board. The Board will continue to take opportunities to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for Board appointments. Going forward and with a view to developing a pipeline of potential successors to the Board that may meet the gender diversity ratio target of having at least one female seat on the Board, the Company will (i) continue to make appointments based on merits with reference to board diversity as a whole; (ii) take steps to promote gender diversity at all levels of the Group by recruiting staff with different gender; (iii) consider the possibility of nominating female management staff who has the necessary skills and experience to the Board; and (iv) provide career development opportunities and more resources in training female staff with the aim of promoting them to the senior management or Board so that the Board will have a pipeline of female senior management and potential successors to the Board in a few years’ time.

Board Committees

The Board has established three committees, namely, the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company, responsible for overseeing particular aspects of the Board and the Group’s affairs. All Board committees are established with defined written terms of reference which are available to shareholders on the Company’s website and the website of the Stock Exchange. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

Nomination Committee

The Nomination Committee is established with written terms of reference in compliance with Rule 3.27A of the Listing Rules and code provision B.3 of the CG Code. The Nomination Committee was comprised of one executive Director and two independent non-executive Directors. As at 31 December 2025, Mr. Jiang Xiuwen serves as the chairman and Mr. Guo Shaomu and Mr. Chen Yi Chuan serve as members.

The Nomination Committee is primarily responsible for recommending to the Board suitably qualified persons to become the member of the Board and is also responsible for reviewing the structure, size and composition of the Board on a regular basis and as required as well as assessing the independence of each independent Director. Its written terms of reference cover recommendations to the Board on the appointment, succession or removal of Directors, evaluation of Board composition and the management of Board succession. The written terms of reference of the committee are in line with the provisions of the CG Code. On 7 May 2025, the Nomination Committee convened a meeting to discuss the structure, size and composition of the Board, assess the independence of each independent non-executive director, review on the Board Diversity Policy and measurable targets for implementing such Board Diversity Policy, and review the nomination policy of the Company.

Pursuant to code provision B.3.5 of Part 2 of the CG Code, the Company shall appoint at least one director who is different from the gender of the existing members of the Nomination Committee to the Nomination Committee. As at 31 December 2025, the Nomination Committee comprised three members, namely Mr. Jiang Xiuwen, an executive Director, Mr. Guo Shaomu and Mr. Chen Yi Chuan, each as an independent non-executive Director, all of whom are male Directors. As a result, the Company has not fully complied with code provision B.3.5 of Part 2 of the CG Code in relation to gender diversity of the Nomination Committee since 1 July 2025. The Board recognises the importance of gender diversity within the Nomination Committee. The Company is actively identifying suitable candidates of different gender to be appointed to the Committee as soon as practicable to ensure compliance with the relevant code provision.

Corporate Governance Report (continued)

As set out in the nomination policy adopted by the Board pursuant to the CG Code, in assessing the suitability of a proposed candidate, the following factors would be considered by the Nomination Committee:

- Reputation for integrity
- Accomplishment and experience
- Compliance with legal and regulatory requirements
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

As set out in the nomination policy, the nomination procedure is as follows:

- (1) The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also nominate candidates who are not nominated by Board members.
- (2) For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
- (3) Pursuant to the Articles of Association, a member (duly qualified to attend and vote at the meeting) who wishes to recommend a candidate for election as a director at any general meeting must submit a signed notice stating his intention to propose such person for election and attach a notice signed by the nominated person indicating his willingness to be elected. Such notice(s) shall be lodged at the head office or at the registration office of the Company, provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.
- (4) A candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company.
- (5) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

To ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance, the selection of candidates is based on a range of diversified perspectives. As at 31 December 2025, the Board consists of eight members aged between 37 and 60, including one female member. In terms of educational background, seven hold master's degrees and one holds a bachelor's degree.

Corporate Governance Report (continued)

Audit Committee

The Audit Committee is established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision D.3 of the CG Code. The Audit Committee is comprised of all independent non-executive Directors. As at 31 December 2025, Mr. Chen Yi Chuan serves as the chairman and Mr. Guo Shaomu and Mr. Tong Wing Chi serve as members. The Group's accounting principles and practices, financial statements and related materials for the year ended 31 December 2025 had been reviewed by the committee.

The primary duties of the Audit Committee include, but are not limited to: (i) reviewing and monitoring the relationship of the external auditors and the Group, particularly the independence, objectivity and effectiveness of the external auditors; (ii) providing an independent view of the effectiveness of the financial reporting process, internal control, compliance and risk management systems of the Group; (iii) overseeing the audit process and performing other duties and responsibilities as assigned by the Board; (iv) developing, reviewing and monitoring our policies and practices on corporate governance, compliance with legal and regulatory requirements and requirements under the Listing Rules; (v) reviewing the financial statements of the Company including the completeness of the annual and interim reports as well as ensuring compliance with accounting standards and reviewing significant adjustments resulting from audit; and (vi) developing, reviewing and monitoring the code of conduct applicable to our employees and Directors. The written terms of reference of the committee are in line with the provisions of the code.

The Audit Committee convened meetings on 27 March 2025 and on 3 April 2025 to review the Company's annual report for the year ended 31 December 2023 and 31 December 2024, and convened a meeting on 7 May 2025 to review the appointment of auditors for 2025 and convened a meeting on 29 August 2025 to review the Company's interim report for the six months ended 30 June 2025.

Remuneration Committee

The Remuneration Committee of the Company is established with written terms of reference in compliance with code provision E.1 of the CG Code. During the Year, the Remuneration Committee is comprised of two independent non-executive Directors and one executive Director. As at 31 December 2025, the committee comprises Mr. Guo Shaomu as the chairman and Mr. Jiang Xiuwen and Mr. Tong Wing Chi as members.

The primary duties of the Remuneration Committee include, but are not limited to: (i) making recommendations to the Board on all remuneration policies and structures for the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives and ensuring that it is consistent with contractual terms and are reasonable and appropriate; (iii) determining the terms of the remuneration package of our Directors and senior management with reference to their time commitment and responsibilities, and employment conditions in the Group and comparable companies; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The written terms of reference of the committee are in line with the provisions of the CG Code.

During the Year, the Remuneration Committee convened a meeting on 3 April 2025 to discuss the matters related to the remuneration of directors.

Details of the remuneration of the Directors are set out in the section headed "Directors' Report – Remuneration of Directors and Five Highest Paid Individuals" and notes 9 and 10 to the financial statements. There was no arrangement under which the Directors waived or agreed to waive any remuneration during the Year. As at 31 December 2025, the emoluments paid to 5 senior management members of the Company fall within the following categories:

Corporate Governance Report (continued)

Emolument bands (in HK dollar)	Number of individuals
HK\$1,000,001 – HK\$1,500,000	5
HK\$1,500,001 – HK\$2,000,000	–

Meeting Attendance

The attendance of Directors at Board meetings, meetings of the Board committees and general meetings during the Year, as well as the number of such meetings held, are set out as follows:

Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	General meetings
Executive Directors					
Jiang Xiuwen	8/8		1/1	1/1	3/3
Yuan Wensheng ⁽¹⁾	8/8				1/3
Non-executive Directors					
Lu Jianhua ⁽²⁾	8/8				0/3
Wang Gang ⁽³⁾	6/8				1/3
Jiang Qian	8/8				3/3
Independent Non-executive Directors					
Guo Shaomu	8/8	4/4	1/1	1/1	3/3
Chen Yi Chuan ⁽⁴⁾	7/7	4/4	1/1		3/3
Tong Wing Chi ⁽⁵⁾	7/7	4/4		1/1	3/3
Han Gensheng ⁽⁶⁾	1/1				

(1) Mr. Yuan Wensheng was not able to attend the General meetings due to other important business engagements.

(2) Mr. Lu Jianhua was not able to attend the General meetings due to other important business engagements.

(3) Mr. Wang Gang was not able to attend the Board and the general meetings due to other important business engagements.

(4) Mr. Chen Yi Chuan appointed on 13 January 2025.

(5) Mr. Tong Wing Chi appointed on 13 January 2025.

(6) Mr. Han Gensheng resigned on 13 January 2025.

Company Secretary

Mr. Sun Mingze, the full-time employee of the Company, was the joint company secretary of the Company. Ms. Kwong Yin Ping Yvonne is an external joint company secretary and assists Mr. Sun to discharge the functions. During the Year, two of them had complied with Rule 3.29 of the Listing Rules.

The major contact person of the Company is Mr. Sun Mingze, the joint company secretary.

(B) Financial Reporting and Internal Control

Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025, and for ensuring the financial statements are published in a timely manner.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements.

Pursuant to code provision D.1.1 of the CG Code, the senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

In preparing the financial statements for the year ended 31 December 2025, the Directors have selected suitable accounting policies and applied them consistently, approved adoption of all applicable Hong Kong Financial Reporting Standards in effect, made judgments and estimates that are appropriate, and prepared the financial statements on a going concern basis. The Directors are aware that the Group might have financial uncertainties which may cast significant doubt on the Group's ability to continue as a going concern as set out in the Disclaimer of Opinion in Note 2.1(c) of the notes to the consolidated financial statements, and the section headed "Details of the Disclaimer of Opinion and Management's View" in this annual report.

The following is the extract of the independent auditor's report from Prism:

"Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Material uncertainties relating to going concern

As described in note 2.1(c) to the consolidated financial statements, the Group's current liabilities exceeded its current assets by RMB12,320,753,000 as at 31 December 2025. At the same date, its current borrowings amounted to RMB11,535,353,000 while its cash and cash equivalents amounted to RMB115,264,000 only. Up to 31 December 2025, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled repayment dates (the "**Borrowings Overdue**"), and borrowings with principal amount of RMB6,517,634,000 in total remained unsettled as at 31 December 2025. In addition, the Group failed to settle a payable with interest accrued thereon to certain parties ("**Aetos Parties**") amounted to RMB1,579,510,000 as at 31 December 2025, while Aetos Parties formally demanded the Group several times to settle the unpaid balance or otherwise a winding-up petition may be presented to the court (the "**Aetos Parties Matter**"). The Borrowings Overdue and the Aetos Parties Matter constituted events of default and resulted in certain bank and other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB4,963,172,000 in total as at 31 December 2025 becoming immediately repayable if requested by the lenders. These events or conditions, together with other matters as set out in note 2.1(c) to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Corporate Governance Report (continued)

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the delayed repayments to financial institutions, which are set out in note 2.1(c) to the consolidated financial statements. The consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties as set out in note 2.1(c) to the consolidated financial statements. We are unable to determine whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

Should the going concern assumption be inappropriate, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any such adjustments. However, material uncertainties exist in relation to the Group's ability to continue as a going concern in view of the Group's future cash flow. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation but we have not obtained sufficient appropriate audit evidence regarding the Group's ability to meet its financial obligations as and when they fall due and we consider the potential cumulative effect on the consolidated financial statements of these material uncertainties relating to going concern to be so significant that we have disclaimed our opinion."

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities for the financial statements is set out under the section headed "Independent Auditor's Report" in this annual report.

The external auditor of the Company will be invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, auditor's independence, etc.

During the Year, the remuneration paid to the external auditor of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 amounted to approximately RMB3,780,000 and RMB0, respectively. The non-audit services include the work in relation to circular and tax consultant services.

Risk Management and Internal Control

In order to standardise its business management, effectively prevent and properly deal with various types of risks, the Company focuses on sorting out problems that may affect its normal operations, including business operations, investment projects and financing, establishes a risk account, identifies, evaluates risks and classifies them according to high, medium and low levels (for medium and high level risks, the Company formulates remedial measures and designates relevant responsible personnel), strengthens risk monitoring, provides early warning and timely reports and takes countermeasures. In case of risk events, litigation and arbitration cases and other unexpected events, the handling company or department shall immediately report to the risk control department of the Company and the management of the Company when the matter is known or confirmed. The legal affairs and risk control department of the Company shall assist in the remedial actions to resolve such risks in accordance with laws and regulations and the Company's policies, and significant decisions shall be reported to the Board for decision-making and action plans in accordance with authorization and procedures.

Corporate Governance Report (continued)

The Company's risk management and internal control management system is implemented from three aspects: the organizational structure, system and process. With the goal of ensuring operation, compliance management, and risk prevention and control, the organizational risks are under the unified management of the risk management personnel, whereas major risks, major cases and major operation matters are managed by the legal affairs and risk control department in a centralized manner, so as to achieve overall consideration, co-ordination and concentration of strengths, and to ensure compliance in the prevention and control of major matters. The risk control system assists the Company in formulating rules and regulations for each business, completing the organizational structure, and supplementing it with training to enhance employees' awareness of compliance operations and risk management and control. The Company revises and improves the authorization and approval system and process according to the Company's strategic organizational plan on an annual basis so as to match the system management and control requirements, and conducts internal monitoring and control through information-based automatic detection and manual reporting.

The Board conducts a review of the effectiveness of the risk management and internal control systems of the Group at least annually. The review covers the financial, operational compliance and risk management aspects of the Group. The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness at least annually. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board is responsible for maintaining an adequate risk management and internal control systems to safeguard shareholders' investments and the Group's assets, and reviewing the effectiveness of such on an annual basis through the Audit Committee. In addition to the external audit, the Company has established an internal audit department to conduct regular audits for the Company and its subsidiaries, whether the financial, operational and other functional systems are complete, the compliance of the system implementation, the performance of senior employees, and report to the Board and make suggestions. The work of the internal audit department will ensure the proper operation and effective implementation of the risk management and internal control systems as planned; protect the Group's assets from unauthorized misappropriation or disposal; ensure compliance with relevant laws, regulations and internal policies and procedures.

During the Year, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Company covering all material controls, including financial, operational and compliance control. It has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions. No significant control failings or weaknesses had been identified during the Year. The Board considers that the existing risk management and internal control systems are reasonably effective and adequate.

The Company has established an internal office information system to ensure that one or more Directors and senior officers are informed of and able to identify and assess the Company's important information or transactions, and communicate the progress of the matters and circumstances to the Board in a timely manner so that the Board can determine whether to make disclosures. For the Company to perform its obligations to disclose inside information about material changes in its financial position, business performance or the prospect of its business performance, the Company's financial controller ensures timely reporting to the Directors, and the Directors ensure that such financial and operational data are communicated to the Board in a timely manner.

Further, the Company has developed its disclosure policy which provides a general guide to the directors, senior management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

Corporate Governance Report (continued)

(C) Anti-Corruption and Whistle-blowing Policies

The Group persists in clean operations and regards good corporate governance as an important cornerstone for the sustainable development of the Company. The Group requires its employees to hold to a high standard of integrity and ethical conduct, and strictly prohibits any corruption and fraud. We strictly comply with the laws and regulations relating to bribery, extortion, fraud and money laundering. All employees of the Group should take the initiative to avoid any conflict of interest or abuse of position or power in the Group for personal gain.

The Company also has a whistle-blowing policy that serves the purpose of establishing whistle-blowing procedures for employees and other relevant external parties of our Company, in order to report and escalate any suspicious misconducts. In accordance with the policy, we protect all whistle-blowers from any kind of retaliation. All the information provided by the whistle-blowers will be strictly confidential.

(D) Dividend Policy

The Company has adopted a dividend policy that aims to provide shareholders of the Company out of the Group's profit attributable to shareholders in any financial year. In determining the dividend payout, the Board proposes dividends based on the Company's financial performance, shareholders' interests, the Company's business conditions and strategies, capital requirements, tax considerations, contractual, statutory and regulatory restrictions, and other factors as the Board considers relevant. Payment of dividends to the shareholders of the Company may be announced at the general meetings from time to time, but the amount of dividends shall not exceed the amount proposed by the Board.

The payment of dividend is also subject to any restrictions under the applicable laws and the Articles of Association.

(E) Communications with Shareholders and Investors

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

To promote effective communication, the Company maintains a website at www.yidachina.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access. Pursuant to Rule 2.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited under the expansion of paperless listing regime and electronic dissemination of corporate communications that came into effect on 31 December 2023, the Company has adopted electronic dissemination of corporate communication, which mean any documents issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to (a) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular and (f) a proxy form. Both the English and Chinese versions of all future corporate communications will be available electronically on the website of the Company at www.yidachina.com and the HKEXnews website at www.hkexnews.hk in place of printed copies.

In addition, the Company has also established and maintained various channels of communication with the Company's shareholders and the public to ensure that they are kept abreast of the Company's latest news and business development. Information relating to the Company's financial results, corporate details, property projects and major events are disseminated through publications of interim and annual reports, announcements, circulars, press release and newsletters. The Company is committed to maintaining a high level of corporate transparency and disclosing relevant information to shareholders, investors, analysts and bankers in a timely manner.

Corporate Governance Report (continued)

Having considered the multiple channels of communication in place as described above, the Company considers the implementation of the shareholders' communication policy during 2025 was effective.

There were no changes to the Company's constitutional documents during the year ended 31 December 2025. The Company's existing Articles of Association have been published at the website of the Company and the website of Hong Kong Exchanges and Clearing Limited and are available for access.

(F) General Meetings and Shareholders' Rights

If shareholders have any enquiries about their shareholdings and entitlements to dividends, they can contact Computershare Hong Kong Investor Services Limited, the share registrar and transfer office of the Company, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Shareholders who wish to put enquiries to the Board can send their enquiries to the company secretary at the Company's principal place of business in Hong Kong who will ensure these enquiries to be properly directed to the Board. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Pursuant to the code provisions of the CG Code, to safeguard shareholders' interests and rights, in respect of each substantially separate issue at a general meeting, a separate resolution would be proposed by the chairman of that meeting. The chairman of the Board shall attend the Company's annual general meetings and arrange for the chairman of the Audit, Remuneration and Nomination Committees or in the absence of the chairman of such committees, another member of the committee, to be available to answer questions at the Company's annual general meetings. The Company would arrange for the notice to shareholders to be sent in the case of an annual general meeting not less than 21 days and to be sent not less than 14 days in the case of all other general meetings. The chairman of a meeting shall at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and then answer any questions from shareholders regarding voting by way of a poll.

Pursuant to Article 58 of the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying rights of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene, such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders who wish to put forward proposals at general meetings may follow Article 58 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of Article 58 of the Articles of Association are set out above.

As at the date of this annual report, based on information publicly available to the Company and to the knowledge of the Directors, the Company had a diversified shareholding structure and had maintained sufficient public float as required under the Listing Rules.

Independent Auditor's Report

To the Shareholders of Yida China Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Yida China Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 90 to 176, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended; and the notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Material uncertainties relating to going concern

As described in note 2.1(c) to the consolidated financial statements, the Group's current liabilities exceeded its current assets by RMB12,320,753,000 as at 31 December 2025. At the same date, its current borrowings amounted to RMB11,535,353,000 while its cash and cash equivalents amounted to RMB115,264,000 only. Up to 31 December 2025, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled repayment dates (the “**Borrowings Overdue**”), and borrowings with principal amount of RMB6,517,634,000 in total remained unsettled as at 31 December 2025. In addition, the Group failed to settle a payable with interest accrued thereon to certain parties (“**Aetos Parties**”) amounted to RMB1,579,510,000 as at 31 December 2025, while Aetos Parties formally demanded the Group several times to settle the unpaid balance or otherwise a winding-up petition may be presented to the court (the “**Aetos Parties Matter**”). The Borrowings Overdue and the Aetos Parties Matter constituted events of default and resulted in certain bank and other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB4,963,172,000 in total as at 31 December 2025 becoming immediately repayable if requested by the lenders. These events or conditions, together with other matters as set out in note 2.1(c) to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the delayed repayments to financial institutions, which are set out in note 2.1(c) to the consolidated financial statements. The consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties as set out in note 2.1(c) to the consolidated financial statements. We are unable to determine whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

Independent Auditor's Report (continued)

Should the going concern assumption be inappropriate, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any such adjustments. However, material uncertainties exist in relation to the Group's ability to continue as a going concern in view of the Group's future cash flow. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation but we have not obtained sufficient appropriate audit evidence regarding the Group's ability to meet its financial obligations as and when they fall due and we consider the potential cumulative effect on the consolidated financial statements of these material uncertainties relating to going concern to be so significant that we have disclaimed our opinion.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA and to issue an auditor's report. We report solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is Lee Kwok Lun.

Prism Hong Kong Limited

Certified Public Accountants

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

31 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	2,062,717	2,787,231
Cost of sales	8	(2,065,624)	(2,382,322)
Gross (loss)/profit		(2,907)	404,909
Other income	6	5,773	8,847
Fair value losses on investment properties	17	(1,705,059)	(1,024,277)
Provision for impairment losses on financial and contract assets	43	(16,358)	(13,627)
Other losses – net	7	(189,687)	(683,895)
Selling and marketing expenses	8	(53,239)	(76,717)
Administrative expenses	8	(123,846)	(122,683)
Finance costs	11	(1,062,904)	(804,560)
Share of results of joint ventures and associates	20,21	(24,068)	(1,633)
Loss before income tax		(3,172,295)	(2,313,636)
Income tax credits/(expenses)	12	92,442	(11,351)
Loss for the year		(3,079,853)	(2,324,987)
Attributable to:			
Owners of the Company		(3,075,821)	(2,335,106)
Non-controlling interests		(4,032)	10,119
		(3,079,853)	(2,324,987)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	14	(119.03) cents	(90.37) cents

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Loss for the year	(3,079,853)	(2,324,987)
Other comprehensive income	–	–
Total comprehensive loss for the year	(3,079,853)	(2,324,987)
Attributable to:		
Owners of the Company	(3,075,821)	(2,335,106)
Non-controlling interests	(4,032)	10,119
	(3,079,853)	(2,324,987)

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

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	16	25,786	39,214
Investment properties	17	14,365,039	16,340,772
Investments in joint ventures	20	552,586	577,982
Investments in associates	21	1,000	1,000
Prepayments for acquisition of land		2,956,885	2,985,975
Prepayments and other receivables	26	246,010	366,837
Intangible assets	19	7,547	10,335
Deferred tax assets	32	337,857	327,228
Total non-current assets		18,492,710	20,649,343
Current assets			
Inventories		17,785	18,291
Land held for development for sale	18	790,449	789,963
Properties under development	22	1,156,891	2,807,616
Completed properties held for sale	23	7,906,353	7,498,371
Contract assets	24	222,056	172,227
Trade receivables	25	318,416	322,386
Prepayments, deposits and other receivables	26	867,860	948,173
Prepaid corporate income tax		99,578	77,547
Prepaid land appreciation tax		219,210	222,267
Restricted cash	27	125,792	217,548
Cash and cash equivalents	27	115,264	156,254
		11,839,654	13,230,643
Asset classified as held for sale	15	275,780	–
Total current assets		12,115,434	13,230,643
Total assets		30,608,144	33,879,986

Consolidated Statement of Financial Position (continued)

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Interest-bearing bank and other borrowings		–	52,538
Deferred tax liabilities	32	1,848,226	2,251,733
Lease liabilities	16,17,19	3,024	3,817
Total non-current liabilities		1,851,250	2,308,088
Current liabilities			
Contract liabilities	5(a)	818,241	1,253,652
Trade payables	28	3,059,706	3,344,918
Other payables and accruals	29	5,945,980	5,046,744
Interest-bearing bank and other borrowings	30	11,535,353	11,618,346
Corporate income tax payable		1,002,642	1,042,598
Provision for land appreciation tax	31	2,070,024	1,859,838
Lease liabilities	16,17,19	4,241	4,827
Total current liabilities		24,436,187	24,170,923
Total liabilities		26,287,437	26,479,011
Equity			
Equity attributable to owners of the Company			
Issued capital	33	159,418	159,418
Reserves	34	4,029,847	7,106,083
		4,189,265	7,265,501
Non-controlling interests		131,442	135,474
Total equity		4,320,707	7,400,975
Net current liabilities		(12,320,753)	(10,940,280)
Total assets less current liabilities		6,717,957	9,709,063

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

Jiang Xiuwen
Director

Lu Jianhua
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Issued capital	Share premium	Other reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(note 34)	(note 34)	(note 34)			
Balance at 1 January 2025	159,418	1,288,734	1,228,469	4,588,880	7,265,501	135,474	7,400,975
Comprehensive income							
Loss for the year	-	-	-	(3,075,821)	(3,075,821)	(4,032)	(3,079,853)
Total comprehensive loss for the year	-	-	-	(3,075,821)	(3,075,821)	(4,032)	(3,079,853)
Transactions with owners							
Effect of deregistration of a subsidiary	-	-	(415)	-	(415)	-	(415)
Balance at 31 December 2025	159,418	1,288,734	1,228,054	1,513,059	4,189,265	131,442	4,320,707

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Issued capital	Share premium	Other reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(note 34)	(note 34)	(note 34)			
Balance at 1 January 2024	159,418	1,288,734	1,224,273	6,928,182	9,600,607	91,251	9,691,858
Comprehensive income							
Loss for the year	-	-	-	(2,335,106)	(2,335,106)	10,119	(2,324,987)
Total comprehensive loss for the year	-	-	-	(2,335,106)	(2,335,106)	10,119	(2,324,987)
Transactions with owners							
Addition	-	-	-	-	-	34,104	34,104
Appropriation to surplus reserve	-	-	4,196	(4,196)	-	-	-
Balance at 31 December 2024	159,418	1,288,734	1,228,469	4,588,880	7,265,501	135,474	7,400,975

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Loss before income tax		(3,172,295)	(2,313,636)
Adjustments for:			
Depreciation		11,577	13,162
Amortisation of intangible assets		2,788	3,232
Net (gains)/losses on disposal of items of property, plant and equipment		(63)	439
Fair value losses on investment properties	17	1,705,059	1,024,277
Share of results of joint ventures and associates		24,068	1,633
Finance costs	11	1,062,904	804,560
Interest income	6	(2,229)	(804)
Write-down of properties under development and completed properties held for sale	8	348,628	227,901
Net impairment losses on financial and contact assets		16,358	13,627
Net impairment losses on prepayments for acquisition of land		29,090	-
Gains arising from the Debt Arrangement		-	(45,479)
Others		(77,009)	32,144
		(51,124)	(238,944)
Decrease in inventories		506	42,045
Decrease in properties under development		3,091,846	6,298,411
Increase in completed properties held for sale		(2,144,368)	(5,281,905)
Increase in land held for development for sale		(486)	(5,425)
Increase in contract assets		(52,433)	(29,025)
Decrease in trade receivables		4,719	10,020
Decrease in prepayments, deposits and other receivables		198,923	385,898
Decrease in trade payables		(285,212)	(46,978)
Increase in other payables and accruals		148,338	619,161
Decrease in contract liabilities		(428,601)	(1,115,265)
Cash generated from operations		482,108	637,993
Interest received		2,229	804
PRC corporate income tax paid		(80,908)	(47,486)
PRC land appreciation tax paid		(89,530)	(276,545)
Net cash flows from operating activities		313,899	314,766

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,774)	(1,471)
Proceeds from disposal of joint ventures		–	1,747
Investment in joint ventures		–	(1,319)
Net payment for acquisition of subsidiaries		–	41,115
Additions to investment properties		(1,224)	–
Net proceeds from disposal of subsidiaries		1,321	15,028
Repayment of proceeds from disposal of subsidiaries		–	(13,602)
Proceeds from disposal of items of property, plant and equipment		31	276
Proceeds from disposal of investment properties		4,209	29,500
Decrease in restricted cash		91,756	19,141
Dividends received		1,328	2,040
Net cash generated from investing activities		95,647	92,455
Cash flows from financing activities			
Interest paid		(143,560)	(135,772)
Principal elements of lease payments		(2,006)	(4,041)
Proceeds of bank and other borrowings		204	1,935
Repayment of bank and other borrowings		(255,147)	(288,136)
Payments for capital reduction to non-controlling interests		(44,800)	–
Payments of other cash relating to financial activities		(5,227)	–
Net cash used in financing activities		(450,536)	(426,014)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year	27	156,254	175,047
Cash and cash equivalents at end of year			
Representing cash and bank balances	27	115,264	156,254

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1 Corporate and Group Information

Yida China Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 26 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. During the year ended 31 December 2025, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally involved in property development, property investment, business park operation and management, property construction, decoration and landscaping in Dalian, Wuhan, Shenyang, Shanghai, Chongqing, Zhengzhou, Hefei, Changsha and Chengdu, the People’s Republic of China (the “**PRC**”).

In the opinion of the directors of the Company (“**Directors**”), the holding company of the Company is Jiayou (International) Investment Limited (“**Jiayou**”), which was incorporated in the British Virgin Islands (the “**BVI**”), and the ultimate holding company of the Company is China Minsheng Investment Corp., Ltd. (“**China Minsheng**”).

The consolidated financial information is presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

Information about subsidiaries

As at 31 December 2025, particulars of the Company’s principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct (%)	Indirect (%)	
Yida Development Company Limited (億達發展有限公司) [#]	PRC/ Mainland China	RMB1,044,360,852	–	100	Property development
Dalian Yitong Property Development Company Limited (大連益通房地產開發有限公司) [#]	PRC/ Mainland China	RMB10,000,000	–	100	Property development
Dalian Software Park Company Limited (大連軟件園股份有限公司) [#]	PRC/ Mainland China	RMB1,010,000,000	–	100	Property investment
Yida Construction Group Company Limited (億達建設集團有限公司) [#]	PRC/ Mainland China	RMB431,770,000	–	100	Construction
Dalian Software Park Rongda Development Co., Ltd. (大連軟件園榮達開發有限公司) [#]	PRC/ Mainland China	RMB660,000,000	–	100	Property development
Dalian Software Park Zhongxing Development Co., Ltd. (大連軟件園中興開發有限公司) [#]	PRC/ Mainland China	RMB1,900,000,000	–	100	Property development
Dalian Software Park Dejia Development Co., Ltd. (大連軟件園德嘉開發有限公司) [#]	PRC/ Mainland China	RMB600,000,000	–	100	Property investment

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

1 Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct (%)	Indirect (%)	
Dalian Service Outsourcing Base Development Company Limited (大連服務外包基地發展有限公司)*#	PRC/ Mainland China	RMB210,000,000	-	100	Property development
Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司)*#	PRC/ Mainland China	RMB10,000,000	-	100	Property development
Dalian Gaoji Property Development Company Limited (大連高基房地產開發有限公司)*#	PRC/ Mainland China	RMB561,000,000	-	100	Property development
Dalian Shengbei Development Company Limited (大連聖北開發有限公司)*#	PRC/ Mainland China	RMB10,000,000	-	100	Property development
Dalian Yida Meijia Property Development Company Limited (大連億達美加房地產開發有限公司)*#	PRC/ Mainland China	RMB120,000,000	-	100	Property development
Dalian Lanwan Property Company Limited (大連藍灣房地產有限公司)*#	PRC/ Mainland China	RMB250,000,000	-	100	Property development
Dalian Software Park Rongtai Development Co., Ltd. (大連軟件園榮泰開發有限公司)*#	PRC/ Mainland China	RMB100,000,000	-	100	Property development
Dalian BEST City Taifeng Development Company Limited (大連科技城泰楓開發有限公司)*#	PRC/ Mainland China	RMB12,000,000	-	100	Property investment
Dalian BEST City Xintong Development Company Limited (大連科技城欣同開發有限公司)*#	PRC/ Mainland China	RMB10,000,000	-	100	Property investment
Dalian Jiadao Information Co., Ltd. (大連嘉道科技發展有限公司)*#	PRC/ Mainland China	RMB300,000,000	-	100	Property investment
Dalian Software Park Rongyuan Development Co., Ltd. (大連軟件園榮源開發有限公司)*#	PRC/ Mainland China	RMB350,000,000	-	100	Property investment
Dalian Shenghe Property Development Company Limited (大連聖和房地產開發有限公司)*#	PRC/ Mainland China	RMB10,000,000	-	100	Property development
Dalian Yida Property Company Limited (大連億達房地產股份有限公司)*#	PRC/ Mainland China	RMB150,000,000	-	100	Property development
Dalian Changhe Property Development Company Limited (大連昌和房地產開發有限公司)*#	PRC/ Mainland China	RMB10,000,000	-	100	Property development
Dalian Software Park Development Company Limited (大連軟件園發展有限公司)*#	PRC/ Mainland China	RMB200,000,000	-	100	Property development
Yida Landscaping Engineering Company Limited (億達園林綠化工程有限公司)*#	PRC/ Mainland China	RMB200,000,000	-	100	Landscaping
Sichuan Yixing Real Estate Development Company Limited (四川億興置業發展有限公司)*#	PRC/ Mainland China	RMB30,000,000	-	100	Property development

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

1 Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct (%)	Indirect (%)	
Dalian Ruanjing Property Development Company Limited (大連軟景房地產開發有限公司)*	PRC/ Mainland China	RMB30,000,000	-	100	Property development
Yida Tech Town Development (Beijing) Co., Ltd. (Former name: Yida Tech Town Development Co., Ltd.)(億達科技新城管理(北京)有限公司(曾用名: 億達科技新城管理有限公司))*	PRC/ Mainland China	RMB10,000,000	-	30	Business park investment and management
Chongqing Yida Chuangzhi Industry Development Co., Ltd. (重慶億達創智產業發展有限公司)*	PRC/ Mainland China	RMB100,000,000	-	100	Property development
Zhengzhou Yida Technology New City Development Co., Ltd.(鄭州億達科技新城發展有限公司)*	PRC/ Mainland China	RMB100,000,000	-	100	Property development
Dalian Qingyun Sky Realty and Development Company Limited (“Qingyun Sky Realty and Development”)(大連青雲天下房地產開發有限公司)*	PRC/ Mainland China	RMB2,963,280,000	-	100	Property development
Dalian Yize Property Development Company Limited (“Dalian Yize”)(大連億澤房地產開發有限公司)*	PRC/ Mainland China	RMB314,770,000	-	100	Property development
Dalian Yihong Property Development Company Limited (“Dalian Yihong”)(大連億鴻房地產開發有限公司)*	PRC/ Mainland China	RMB347,230,000	-	100	Property development
Hefei Yida Smart Science and Technology City Development Company Limited (合肥億達智慧科技城發展有限公司)*	PRC/ Mainland China	RMB240,000,000	-	65	Property development
King Equity Holdings Limited [△]	Hong Kong	HK\$2	-	100	Investment holding

* Registered as domestic limited liability companies under PRC law.

⊗ Registered as sino-foreign equity entities under PRC law.

△ Registered as domestic limited liability company under HK law.

* The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as they did not register any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies

2.1 Basis of preparation

(a) Compliance with HKFRS Accounting Standards and HKCO

The consolidated financial statements of the Company for the year ended 31 December 2025 which have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”).

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 to the consolidated financial statements.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and certain financial instruments which have been measured at fair value.

(c) Going concern basis

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by RMB12,320,753,000. At the same date, its current borrowings amounted to RMB11,535,353,000 while its cash and cash equivalents amounted to RMB115,264,000 only.

Since 2020, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled payment dates (the “**Borrowings Overdue**”). Although the Group managed to settle some of these borrowings during the year after the due dates, an aggregate principal amount of RMB6,517,634,000 still remained unsettled as at 31 December 2025.

Up to the date of approval of these consolidated financial statements, certain litigations were initiated by the lenders against certain indirect wholly-owned subsidiaries of the Company in respect of the overdue borrowings, of which the aggregate outstanding principal amounts were included in the aggregate principal amount of the Borrowings Overdue as at 31 December 2025.

On 4 March 2021, the Group and certain parties (“**Aetos Parties**”) entered into a settlement agreement which stipulates that the Group should settle the payables to Aetos Parties by instalments before 30 September 2021. However, the Group failed to fulfill the settlement agreement, and therefore Aetos Parties formally demanded the Group several times to settle the unpaid balance, among other actions, to Aetos Parties’ satisfaction, or otherwise a winding-up petition may be presented to the court (the “**Aetos Parties Matter**”). As at 31 December 2025, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,579,510,000.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

(c) Going concern basis (Continued)

The Borrowings Overdue and the Aetos Parties Matter constituted events of default and resulted in certain bank and other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB4,963,172,000 in total as at 31 December 2025 becoming immediately repayable if requested by the lenders, of which RMB4,071,432,000 represented borrowings with scheduled repayment dates within one year, while RMB891,740,000 represented non-current borrowings with original contractual repayment dates beyond 31 December 2026 that were reclassified as current liabilities.

The above conditions indicate that material multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the overdue repayments to the lenders:

- i) Up to the date of the approval of these consolidated financial statements, the Aetos Parties have not presented a winding-up petition to the court. The Group will negotiate with Aetos Parties to reach an agreement of the final Settlement Agreement in due course to prompt Aetos Parties not to exercise their rights to present a winding-up petition to the court.
- ii) In respect of the Borrowings Overdue, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the overdue borrowings. During the year ended 31 December 2025, the Group has successfully extended the repayment of the overdue borrowings with an aggregate principal amount of approximately RMB3,509,085,000. While certain lenders preliminarily intended to renew or extend certain overdue borrowings, no formal agreement has been reached yet. The Company will continue to endeavor to implement relevant renewal or extension, prompt such lenders not to exercise their rights to require the Group's immediate repayment of the borrowings, and reach final agreements with such lenders in due course.
- iii) The Group has maintained active communication with other relevant lenders in respect of the Borrowings Overdue, the Aetos Parties Matter and other matters which triggered default or cross-default terms of their respective borrowing agreements. The Company will continue to endeavor to implement the relevant renewal or extension, so that the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the borrowings prior to their scheduled contractual repayment dates.
- iv) The Group has also been conducting negotiations with relevant banks and financial institutions on renewal and extension for existing borrowings with scheduled repayment dates within one year. Given the Group's long-term relationship with the banks and financial institutions and the availability of the Group's properties as collateral for the borrowings, the Group will endeavor to renew or extend existing borrowings with scheduled repayment dates within one year as and when needed. The Group will also actively negotiate with the banks and financial institutions to secure new financing sources.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

(c) Going concern basis (Continued)

- v) The Company has been seeking legal advice in respect of the legal proceedings initiated by the lenders and closely monitoring the progress of such proceedings. The Company has also been actively negotiating the arrangements in relation to the repayment of the outstanding principal amount and accumulated interest of overdue borrowings involving to legal proceedings.
- vi) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of sales proceeds.
- vii) The Group will strive to maintain a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled. The Group will also continue to take active measures to control administrative costs and capital expenditures.
- viii) The Group will seek opportunities to dispose of certain assets and investment at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- i) the successful and timely negotiation with Aetos Parties to reach a final settlement agreement so that they will not present a winding-up petition to the court, and the successful compliance with the terms and obligations under the final settlement agreement by the Group.
- ii) the successful negotiations with the Group's existing lenders in respect of the borrowings that were either overdue or otherwise in default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant overdue or defaulted borrowings.
- iii) the successful negotiations with the lenders in respect of the legal proceedings and the repayment arrangements.
- iv) the successful obtaining of additional new sources of financing as and when needed;
- v) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of sales proceeds, maintenance of a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled, and control costs and contain capital expenditure so as to generate adequate net cash inflows; and

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

(c) Going concern basis (Continued)

- vi) the successful disposal of relevant assets and investments at reasonable prices, and timely collection of the proceeds.

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

(d) Amended standards adopted by the Group

The Group has adopted amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these consolidated financial statements for the current accounting period. The amendments do not have a material impact on these consolidated financial statements of the Group as the Group has not entered into any foreign currency transactions in a foreign currency that is not exchangeable into another currency.

The Group has not adopted any new and amended standard or interpretation that is not yet effective for the current accounting period.

(e) New and amended standards not yet adopted

Below new and amended standards have been published that are not mandatory for the year ended 31 December 2025 and have not been early adopted by the Group. These standards and amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*
- Amendments to HKFRS 9 and HKFRS 7, *Contracts referencing nature – dependent electricity*
- Annual improvements to HKFRS Accounting Standards – Volume 11, *Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*
- Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*
- HKFRS 18, *Presentation and disclosure in financial statements*
- HKFRS 19, *Subsidiaries without public accountability: Disclosures*
- Amendments to HKAS 21, *Translation to a hyperinflationary presentation currency*

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.2 Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.3).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

iii. Joint arrangements

Under HKFRS 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. All the Group's joint arrangements are classified as joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.10.

v. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.3 Business combinations

The Group accounts of business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assess whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.3 Business combinations (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

When acquiring assets by obtaining a controlling interest in a legal entity that does not constitute a business as a step acquisition, the previously held equity interest is included as part of the cost of the acquisition and is not remeasured.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as executive directors that make strategic decisions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.7 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.7 Foreign currency translation (Continued)

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.8 Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements the shorter lease term as follows:

Building and leasehold improvements	Over the shorter of lease terms and 20 years
Plant and machinery	5 to 10 years
Motor vehicles	3 to 10 years
Furniture, fixtures and office equipment	3 to 20 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.9 Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Property under construction or development for future use as an investment property is classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at the completion date and its previous carrying amount is recognised in the statement of profit or loss.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Licences

Purchased licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 15 years.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over their estimated useful lives of 10 to 15 years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.11 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories, contract assets, deferred tax assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.12 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.12 Investments and other financial assets (Continued)

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. The Group classified its debt instruments into the following measurement category:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is net included in finance costs using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are included in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.12 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables (including lease receivables) and contract assets, the Group applies the simplified approach permitted by HKFRS 9 *Financial Instruments* ("HKFRS 9"), which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, the Group applies general approach for expected credit loss prescribed by HKFRS 9. Since credit risk has not significantly increased after initial recognition, the loss allowance recognised was therefore limited to 12-month expected losses.

2.13 Financial liabilities

(a) Initial recognition and measurement

The Group's financial liabilities include trade and other payables, interest-bearing bank and other borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.13 Financial liabilities (Continued)

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account and discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance expenses in the statement of profit or loss.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.14 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.15 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.17 Land held for development for sale

The land held for future development represents parcels of land owned by the Group for the purpose of development of properties for sale. The land is initially stated at cost less any impairment losses and is not depreciated. It is transferred to properties under development upon commencement of the related construction work in the property development project.

2.18 Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated cost to completion.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.19 Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value.

Cost of completed properties held for sale is determined by an apportionment of total land and building costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on the prevailing market conditions.

2.20 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is calculated using the weighted average method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.21 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 25 to the consolidated financial statements for further information about the Group's accounting for trade receivables and note 2.12(iv) to the consolidated financial statements for a description of the Group's impairment policies.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are included in current assets, except for those mature more than twelve months after the year (or out of the normal operating cycle of the business if longer) which are classified as non-current assets.

2.22 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.23 Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.24 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.25 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the statement of financial position.

Pension scheme

The employees of the Group's subsidiaries in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.26 Trade and other payables

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

2.27 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.28 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred.

2.29 Revenue recognition

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

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

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a client. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.29 Revenue recognition (Continued)

(a) Sales of properties

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers the properties to the customer and when the customer pays for that properties will be one year or less.

The Group recognised as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

(b) Construction service

For construction service, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognised revenue over time, by reference to the progress of certified value of work performance to date.

(c) Business park operation and management services

Revenue arising from business park operation and management services is recognised when the services are rendered.

(d) Rental income

Rental income is recognised on a straight line basis over the lease term.

2.30 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.30 Earnings per share (Continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.31 Dividend income

Dividends are recognized as other income in profit or loss when the right to receive payment is established.

2.32 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.32 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2 Summary of Material Accounting Policies (Continued)

2.33 Dividends distribution

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

2.34 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.35 Interest income

Interest income from financial assets at FVPL is recognised in other losses – net in the consolidated statement of profit or loss.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognized in finance costs-net in the consolidated statement of profit or loss.

Interest income is presented as other income where it is earned from bank deposits that are held for cash management purposes. Any other interest income is included in finance income.

2.36 Non-current assets held for sale

Non-current assets and disposal groups (other than investment properties under fair value model and financial assets) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3 Critical Accounting Judgements and Estimates

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3 Critical Accounting Judgements and Estimates (Continued)

Allocation of construction costs on properties under development

When developing properties, the Group typically divides the development projects into phases. Costs directly related to the development of a phase are recorded as the costs of such phase. Costs that are common to each phase are allocated to each phase based on the saleable floor area of each phase as a percentage of the total saleable floor area of the entire project. The cost of the unit sold is determined by the floor area in square metres sold during the year multiplied by the average cost per square metre of that particular phase of the project.

Impairment review of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost of completion (if any), which are estimated based on the best available information. The Group has engaged an external valuer to perform a valuation of the Group's properties under development and completed properties held for sale as at 31 December 2025 to assess if the net realisable values of these assets are lower than their carrying amounts.

PRC corporate income tax ("CIT")

The Group is subject to income taxes in the PRC. As a result of the fact that certain matters relating to income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

PRC land appreciation tax ("LAT")

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will have impact on the land appreciation tax expense and the related provision in the period in which the differences realise.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair value of investment properties

Investment properties including completed investment properties and investment properties under construction are revalued at the end of the reporting period on a market value, existing use basis by independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, information from current prices in an active market for similar properties is considered and assumptions that are mainly based on market conditions existing at the end of the reporting period are used.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3 Critical Accounting Judgements and Estimates (Continued)

Recoverability of trade receivables

Trade receivables with significant balances or credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables which are individually insignificant. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of the debtors as groupings of various debtors taking into consideration of the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

Recoverability of other receivables for primary land development

The Group has entered into certain cooperation agreements with the local government authorities under which the Group provides funding to the local government authorities for the primary land development of certain land parcels. Management estimates the expected repayment schedule and amounts and considers the discounting impact of the receivables. The provision for impairment of other receivables for primary land development of the Group is based on the evaluation of collectability and ageing analysis of these receivables and on management's estimation. Significant estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of the local government authorities. If the financial conditions of the local government authorities were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of other receivables for primary land development at 31 December 2025 was RMB246,010,000 (2024: RMB397,010,000). Further details are set out in note 26 to the consolidated financial statements.

Provision for impairment losses on prepayments for acquisition of land

The Group has entered into certain agreements with the local government authorities, pursuant to which the Group has paid the relocation compensations and other costs on behalf of the local government authorities to obtain the land use right certificates for development. As at 31 December 2025, the land use right certificates have not yet been obtained. The Directors have considered it will be possible that the Group cannot obtain the land use right certificates in the future and the relocation compensations and other costs need to be reimbursed by the local government authorities. Management estimates the expected reimbursement schedule and the amounts to be reimbursed by the local government authorities based on the actual relocation compensations and other costs incurred with considering the discounting impact. Significant estimation is required in assessing the ultimate realisation of the prepayments for acquisition of land, including the current creditworthiness and the past collection history of the local government authorities. If the financial conditions of the local government authorities were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of prepayments for acquisition of land at 31 December 2025 was RMB2,956,885,000 (2024: RMB2,985,975,000). Further details are set out in note 7 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4 Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the property investment segment invests in properties for their rental income potential and/or for capital appreciation;
- (c) the business park operation and management segment engages in the provision of operation and management services to the business park projects owned by the local governments or other independent third parties;
- (d) the construction, decoration and landscaping segment engages in property construction, the provision of interior decoration to property buyers and landscaping services to property projects; and
- (e) the others segment comprises corporate income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before income tax. The adjusted profit/loss before income tax is measured consistently with the Group's loss before income tax except that interest income, dividend income and certain corporate gains and expenses and finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets, prepaid corporate income tax, prepaid land appreciation tax, prepaid other taxes, restricted cash and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings and related interests payable, dividends payable, tax payable, provision for land appreciation tax, other taxes payable and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4 Operating Segment Information (Continued)

Year ended 31 December 2025

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Others RMB'000	Total RMB'000
Segment revenue:	1,212,419	407,773	187,354	449,391	-	2,256,937
Intersegment revenue	(22,666)	-	(16,600)	(154,954)	-	(194,220)
Sales to external customers	1,189,753	407,773	170,754	294,437	-	2,062,717
Segment results	(672,461)	(1,479,721)	567	44,412	(4,417)	(2,111,620)
<i>Reconciliation:</i>						
Interest income						2,229
Unallocated gains						-
Finance costs - net						(1,062,904)
Loss before income tax						(3,172,295)
Income tax expenses						92,442
Loss for the year						(3,079,853)
Segment assets	60,639,981	19,636,619	566,945	8,101,243	12,785,855	101,730,643
<i>Reconciliation:</i>						
Elimination of intersegment receivables						(72,127,873)
Corporate and other unallocated assets						1,005,374
Total assets						30,608,144
Segment liabilities	44,714,915	8,921,030	677,109	7,647,355	17,702,535	79,662,944
<i>Reconciliation:</i>						
Elimination of intersegment payables						(72,127,873)
Corporate and other unallocated liabilities						18,752,366
Total liabilities						26,287,437
Other segment information:						
Depreciation and amortisation	(6,714)	(1,792)	(829)	(4,368)	(662)	(14,365)
Capital expenditure*	205	1,435	-	5	1,353	2,998
Fair value losses on investment properties	-	(1,705,059)	-	-	-	(1,705,059)
(Provision for)/reversal of impairment losses on financial and contract assets	(5,108)	3,309	381	(14,813)	(127)	(16,358)
Write-down of inventories	(348,628)	-	-	-	-	(348,628)
Share of results of joint ventures and associates	(24,956)	-	888	-	-	(24,068)
Investments in joint ventures	545,277	-	7,309	-	-	552,586
Investments in associates	-	1,000	-	-	-	1,000

* Capital expenditure consists of additions to property, plant and equipment, additions to investment properties and additions to intangible assets.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4 Operating Segment Information (Continued)

Year ended 31 December 2024

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Others RMB'000	Total RMB'000
Segment revenue:	1,886,827	706,290	226,503	627,778	-	3,447,398
Intersegment revenue	(40,794)	(234,281)	(18,100)	(366,992)	-	(660,167)
Sales to external customers	1,846,033	472,009	208,403	260,786	-	2,787,231
Segment results	(778,845)	(811,388)	159	69,000	25,520	(1,495,554)
<i>Reconciliation:</i>						
Interest income						804
Unallocated gains						(14,326)
Finance costs – net						(804,560)
Loss before income tax						(2,313,636)
Income tax expenses						(11,351)
Loss for the year						(2,324,987)
Segment assets	58,573,649	21,242,283	493,828	8,656,144	13,405,049	102,370,953
<i>Reconciliation:</i>						
Elimination of intersegment receivables						(69,559,691)
Corporate and other unallocated assets						1,068,724
Total assets						33,879,986
Segment liabilities	41,403,463	8,863,111	601,083	8,417,789	18,213,405	77,498,851
<i>Reconciliation:</i>						
Elimination of intersegment payables						(69,559,691)
Corporate and other unallocated liabilities						18,539,851
Total liabilities						26,479,011
Other segment information:						
Depreciation and amortisation	(7,211)	(2,435)	(1,057)	(4,817)	(874)	(16,394)
Capital expenditure*	846	5,303	7	2	-	6,158
Fair value losses on investment properties	-	(1,024,277)	-	-	-	(1,024,277)
Reversal of/(provision for) impairment losses on financial and contract assets	2,166	(79,717)	1,303	62,606	15	(13,627)
Write-down of inventories	(227,901)	-	-	-	-	(227,901)
Share of results of joint ventures and associates	(3,086)	-	1,453	-	-	(1,633)
Investments in joint ventures	570,235	-	7,747	-	-	577,982
Investments in associates	-	1,000	-	-	-	1,000

* Capital expenditure consists of additions to property, plant and equipment, additions to investment properties and additions to intangible assets.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4 Operating Segment Information (Continued)

Geographical information

Geographical information is not presented since all of the Group's revenue from external customers is generated in Mainland China and the majority of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the Directors, the presentation of geographical information would provide no additional useful information to the users of these consolidated financial statements.

5 Revenue

Revenue represents the gross proceeds from the sale of properties, gross rental income received and receivable from investment properties, an appropriate proportion of contract revenue from construction, decoration and landscaping, and business park operation and management service income received and receivable from the provision of operation and management services to the business park projects, all net of value-added tax and surcharges, during the year.

An analysis of the Group's revenue is as follows:

	Note	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers recognised at a point in time			
Sale of properties	(a)	1,189,753	1,846,033
Revenue from contracts with customers recognised over time			
Business park operation and management service income		170,754	208,403
Construction, decoration and landscaping income		294,437	260,786
		465,191	469,189
Revenue from contracts with customers		1,654,944	2,315,222
Revenue from other sources			
Rental income		407,773	472,009
		2,062,717	2,787,231

Note:

(a) Movements in contract liabilities:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	1,253,652	2,377,969
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(1,028,226)	(1,726,774)
Increase in contract liabilities as a result of selling properties to customers during the year	592,815	602,457
Balance at 31 December	818,241	1,253,652

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6 Other Income

	2025 RMB'000	2024 RMB'000
Interest income	2,229	804
Government subsidies	3,544	8,043
	5,773	8,847

7 Other Losses – Net

	2025 RMB'000	2024 RMB'000
Gains arising from Debt Arrangements (a)	–	45,479
Provision for impairment losses on prepayments for acquisition of land (b)	(29,090)	–
Net foreign exchange gains/(losses)	76,594	(46,638)
Penalties arising from late payment	(232,937)	(285,540)
Litigation damages	(1,520)	(357,806)
Net (losses)/gains on disposal of property, plant and equipment	(63)	439
Other items	(2,671)	(39,829)
	(189,687)	(683,895)

- (a) On 14 November 2024, the Group entered into a settlement deed with Main Zone Limited and Innovate Zone Group Limited (collectively referred to as the “Creditors”) and China Best International (HK) Limited (“China Best”), pursuant to which China Best shall pay USD2,000,000 to the Creditors on behalf of the Group, to settle the amounts owed by the Group to the Creditors totalled RMB59,931,000 (the “2024 Debt Arrangement”). Upon the completion of the 2024 Debt Arrangement, the Group should pay USD2,000,000 to China Best, bearing interest at a rate of 6% per annum and recognised a gain of RMB45,479,000 arising from the 2024 Debt Arrangement.
- (b) Prepayments for acquisition of land represent the Group has not yet obtained the land use right certificate and no development plans for parcels of lands as at 31 December 2025. The Directors, based on the best available information, performed an impairment review on prepayments for acquisition of land and concluded that an impairment loss of RMB29,090,000 was needed to be provided for the year ended 31 December 2025 (2024: nil).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

8 Expenses by Nature

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

	Notes	2025 RMB'000	2024 RMB'000
Cost of properties sold		1,142,680	1,568,907
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		178,932	168,064
Cost of other services provided		395,384	417,450
Write-down of properties under development and completed properties held for sale		348,628	227,901
Employee benefit expenses	9	64,139	67,520
Depreciation	16	11,577	13,162
Amortisation of intangible assets	19	2,788	3,232
Auditor's remuneration			
– Audit services		3,780	3,780
– Non-audit services		–	91
Other costs and expenses		94,801	111,615
Total cost of sales, selling and marketing expenses and administrative expenses		2,242,709	2,581,722

9 Employee Benefit Expenses (Including Directors' and Chief Executive's Emoluments)

	2025 RMB'000	2024 RMB'000
Wages, salaries and other benefit expenses	51,412	54,540
Pension scheme contributions	12,727	12,980
	64,139	67,520

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

9 Employee Benefit Expenses (Including Directors' and Chief Executive's Emoluments) (Continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 include zero (2024: one) director whose emoluments are reflected in the analysis presented in note 10 to the consolidated financial statements. The emoluments payable to the remaining five (2024: four) individuals during the year are as follows:

	2025 RMB'000	2024 RMB'000
Wages, salaries and other benefit expenses	5,424	5,077
Discretionary bonuses	–	–
Pension scheme contributions	673	569
	6,097	5,646

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands (in HK dollar)		
HK\$1,000,001 – HK\$1,500,000	5	3
HK\$1,500,001 – HK\$2,000,000	–	1

10 Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	2025 RMB'000	2024 RMB'000
Fees	890	771
Other emoluments:		
Salaries, allowances and benefits in kind	2,264	3,110
Pension scheme contributions	174	319
	2,438	3,429
	3,328	4,200

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

10 Directors' and Chief Executive's Remuneration (Continued)

The remuneration of each of the Directors and chief executive's for the year ended 31 December 2025 is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Jiang Xiuwen	–	680	–	162	842
Mr. Yuan Wensheng	–	102	–	12	114
	–	782	–	174	956
Non-executive directors:					
Mr. Wang Gang	–	54	–	–	54
Ms. Jiang Qian	–	54	–	–	54
Mr. Lu Jianhua	–	54	–	–	54
	–	162	–	–	162
Independent non-executive directors:					
Mr. Guo Shaomu	300	–	–	–	300
Mr. Han Gensheng ⁽ⁱ⁾	10	–	–	–	10
Mr. Tong Wing Chi ⁽ⁱⁱ⁾	290	–	–	–	290
Mr. Chen Yi Chuan ⁽ⁱⁱ⁾	290	–	–	–	290
	890	–	–	–	890
	890	944	–	174	2,008

(i) Resigned as independent non-executive director on 13 January 2025.

(ii) Appointed as non-executive director on 13 January 2025.

For the year ended 31 December 2025, no emoluments were paid by the Group to any Director, or any of the five highest paid individuals, as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

10 Directors' and Chief Executive's Remuneration (Continued)

The remuneration of each of the Directors and chief executive's for the year ended 31 December 2024 is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Jiang Xiuwen	–	2,000	–	168	2,168
Mr. Yuan Wensheng	–	910	–	151	1,061
	–	2,910	–	319	3,229
Non-executive directors:					
Mr. Wang Gang	–	54	–	–	54
Ms. Jiang Qian	–	54	–	–	54
Mr. Lu Jianhua	–	54	–	–	54
Mr. Weng Xiaoquan ⁽ⁱ⁾	–	38	–	–	38
	–	200	–	–	200
Independent non-executive directors:					
Mr. Yip Wai Ming ⁽ⁱⁱ⁾	171	–	–	–	171
Mr. Guo Shaomu	300	–	–	–	300
Mr. Han Gensheng ⁽ⁱⁱⁱ⁾	300	–	–	–	300
	771	–	–	–	771
	771	3,110	–	319	4,200

(i) Appointed as non-executive director on 31 March 2023 and resigned as non-executive director on 11 September 2024.

(ii) Resigned as independent non-executive director on 26 July 2024.

(iii) Resigned as independent non-executive director on 13 January 2025.

For the year ended 31 December 2024, no emoluments were paid by the Group to any Director, or any of the five highest paid individuals, as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

11 Finance Costs

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Finance costs		
Interest on bank loans and other loans	1,115,640	1,039,620
Interest on lease liabilities	627	875
Less: Interest capitalised	(53,363)	(235,935)
Finance costs	1,062,904	804,560

12 Income Tax Expenses

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from BVI income tax.

Hong Kong Profits Tax

Hong Kong Profits Tax rate is 16.5%. No provision for Hong Kong Profits Tax was provided as the Group did not have assessable profit in Hong Kong for the years ended 31 December 2025 and 2024.

PRC corporate income tax ("CIT")

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

Under the Law of the PRC on CIT (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

An analysis of the income tax expenses is as follows:

	2025 RMB'000	2024 RMB'000
Current tax – PRC		
CIT charge/(credit) for the year	18,921	(19,212)
LAT charge for the year (note 31)	302,773	152,635
	321,694	133,423
Deferred income tax:		
Current year (note 32)	(414,136)	(122,072)
Total income tax (credits)/expenses for the year	(92,442)	11,351

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

12 Income Tax Expenses (Continued)

PRC corporate income tax (“CIT”) (Continued)

A reconciliation of the income tax (credits)/expenses applicable to loss before income tax using the statutory rate for the jurisdiction in which the majority of the Company’s subsidiaries are domiciled to the income tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate for the year, are as follows:

	2025 RMB’000	2024 RMB’000
Loss before income tax	(3,172,295)	(2,313,636)
At the statutory income tax rate of 25% (2024: 25%)	(793,074)	(578,409)
Tax losses utilised from previous periods	(33,501)	(50,520)
Tax effect of share of results of associates and joint ventures	6,017	408
Income not subject to tax	–	3,581
Expenses not deductible for tax	58,083	62,746
Tax losses and temporary differences not recognised	442,953	459,069
LAT	302,773	152,635
Tax effect of LAT	(75,693)	(38,159)
Total income tax (credits)/expenses for the year	(92,442)	11,351

The share of income tax expenses attributable to joint ventures amounting to RMB2,670,000 (2024: RMB294,000) and no income tax expenses attributable to associates (2024: nil) are included in “Share of profits and losses of joint ventures and associates” in the consolidated statement of profit or loss, respectively.

The Group incorporated a holding entity in Hong Kong, where new tax laws implementing the Pillar Two model rules published by the OECD took effect on 1 January 2025. During the year ended 31 December 2025, the Group was subject to a new top-up tax in Hong Kong in relation to its operations in Mainland China, where additional tax deductions in connection with government support resulted in an effective tax rate of lower than 15%. No current tax impact was recognised for the year ended 31 December 2024, as the legislation was not yet effective. For the year ended 31 December 2025, the Group recognised no current tax expense arising from the top-up tax.

13 Dividend

No dividend has been proposed or declared during the year ended 31 December 2025 (2024: nil).

14 Loss Per Share Attributable to Ordinary Equity Holders of the Company

(a) Basic loss per share

The calculation of the basic loss per share is based on the consolidated loss for the year ended 31 December 2025 attributable to the ordinary equity holders of the Company of RMB3,075,821,000 (2024: RMB2,335,106,000), and the weighted average number of ordinary shares of 2,583,970,000 (2024: 2,583,970,000) in issue during the year ended 31 December 2025.

(b) Diluted loss per share

Diluted loss per share is the same as basic loss per share for the years ended 31 December 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during both years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

15 Asset Classified as Held for Sale

	2025 RMB'000
Investment property (note)	275,780
Total asset classified as held for sale	275,780

On 13 October 2025, Dalian ChangDe, and Outsourcing Company, both of which are wholly-owned subsidiaries of the Group, entered into an offset agreement with Dalian HengYe, which is wholly-owned by Dalian Finance Bureau (the “Offset Agreement”), pursuant to which Dalian ChangDe has conditionally agreed to transfer all interests in an investment property to Dalian HengYe, and Dalian HengYe has conditionally agreed to offset part of the Outstanding Amount totaling RMB275,780,000 as the Consideration for the transfer of the investment property.

On 29 December 2025, the Offset Agreement and the transactions contemplated thereunder were approved, confirmed and ratified by the Board of Directors at an extraordinary general meeting. As at 31 December 2025, the transactions were in the process of completion of administrative and transfer formalities. The Group remains committed to the disposal of the investment property within one year, and completion remains highly probable within one year. Therefore, the investment property with a carrying amount of RMB275,780,000 has been classified as an asset held for sale and separately presented in the consolidated statement of financial position.

16 Property, Plant and Equipment

	Right-of-use Assets RMB'000	Buildings and leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Assets under construction RMB'000	Total RMB'000
31 December 2025							
At 31 December 2024:							
Cost	21,729	154,350	39,644	4,853	27,615	1,801	249,992
Accumulated depreciation	(20,780)	(132,544)	(25,760)	(4,427)	(26,186)	(1,081)	(210,778)
Net carrying amount	949	21,806	13,884	426	1,429	720	39,214
At 1 January 2025, net of accumulated depreciation							
Additions	1,353	211	-	-	210	-	1,774
Depreciation provided during the year	(1,187)	(7,299)	(2,498)	(94)	(138)	(361)	(11,577)
Write-off/disposal	(411)	(2,774)	(31)	(51)	(358)	-	(3,625)
At 31 December 2025, net of accumulated depreciation	704	11,944	11,355	281	1,143	359	25,786
At 31 December 2025:							
Cost	19,500	151,144	39,017	4,532	23,305	1,801	239,299
Accumulated depreciation	(18,796)	(139,200)	(27,662)	(4,251)	(22,162)	(1,442)	(213,513)
Net carrying amount	704	11,944	11,355	281	1,143	359	25,786

As at 31 December 2025, a building with carrying amount of RMB7,410,000 (2024: RMB13,543,000) was pledged to a financial institution to secure the loans granted to the Group (note 30).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

16 Property, Plant and Equipment (Continued)

	Right-of-use Assets RMB'000	Buildings and leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Assets under construction RMB'000	Total RMB'000
31 December 2024							
At 31 December 2023:							
Cost	21,729	153,154	42,033	8,163	28,983	1,801	255,863
Accumulated depreciation	(19,138)	(124,572)	(24,506)	(7,159)	(27,101)	(720)	(203,196)
Net carrying amount	2,591	28,582	17,527	1,004	1,882	1,081	52,667
At 1 January 2024, net of accumulated depreciation							
Additions	-	1,195	-	775	45	-	2,015
Acquisition of a subsidiary	-	-	-	-	31	-	31
Depreciation provided during the year	(1,642)	(7,971)	(2,648)	(223)	(317)	(361)	(13,162)
Write-off/disposal	-	-	(995)	(1,130)	(217)	-	(2,337)
At 31 December 2024, net of accumulated depreciation	949	21,806	13,884	426	1,429	720	39,214
At 31 December 2024:							
Cost	21,729	154,350	39,644	4,853	27,615	1,801	249,992
Accumulated depreciation	(20,780)	(132,544)	(25,760)	(4,427)	(26,186)	(1,081)	(210,778)
Net carrying amount	949	21,806	13,884	426	1,429	720	39,214

This note provides information for leases where the Group is a lessee.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

16 Property, Plant and Equipment (Continued)

(a) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Right-of-use assets		
– Buildings	704	949
Intangible assets (note 19)	4,994	6,796
	5,698	7,745
Lease liabilities		
– Current	4,241	4,827
– Non-current	3,024	3,817
	7,265	8,644

(b) Amounts recognised in the statement of profit or loss

	31 December 2025 RMB'000	31 December 2024 RMB'000
Depreciation charge of right-of-use assets		
– Buildings	(1,187)	(1,642)
Amortisation charge of right-of-use assets		
– Land-use rights	(1,802)	(1,802)
	(2,989)	(3,444)
Interest expense (included in finance costs – note 11)	(627)	(875)

The total cash outflow for leases in 2025 was RMB2,837,000 (2024: RMB4,041,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

16 Property, Plant and Equipment (Continued)

(c) The Group's leasing activities and how these are accounted for

The Group leases various buildings and land-use rights. Rental contracts are typically made for fixed periods of 1 to 11 years.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

17 Investment Properties

	Completed RMB'000	Under construction RMB'000	Total RMB'000
Carrying amount at 1 January 2024	12,535,100	5,093,749	17,628,849
(Cost adjustments)/additions	(1,446)	57	(1,389)
Derecognition	(262,411)	–	(262,411)
Net losses from fair value adjustments	(872,243)	(152,034)	(1,024,277)
Carrying amount at 31 December 2024 and 1 January 2025	11,399,000	4,941,772	16,340,772
Additions	–	1,224	1,224
Disposal of assets	(11,019)	–	(11,019)
Transfer to asset classified as held for sale	–	(260,879)	(260,879)
Net losses from fair value adjustments	(1,244,981)	(460,078)	(1,705,059)
Carrying amount at 31 December 2025	10,143,000	4,222,039	14,365,039

As at 31 December 2025, certain of the Group's investment properties of RMB12,845,162,000 (2024: RMB14,237,067,000) were pledged to banks to secure the loans granted to the Group (note 30).

The Group's completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 38 to the consolidated financial statements.

The Group's completed investment properties and investment properties under construction, which were stated at fair value, were revalued at the end of the reporting period by Cushman & Wakefield Limited (previously known as DTZ Cushman & Wakefield Limited), an independent professionally qualified valuer.

For completed investment properties, valuations were based on the capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

For investment properties under construction which were stated at fair value at 31 December 2025 and 2024, valuations were based on the residual approach and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

17 Investment Properties (Continued)

In the opinion of the Directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use. Included in the Group's investment properties are certain completed investment properties measured at fair value in the aggregate carrying amount of RMB1,226,000,000 as at 31 December 2025 (2024: RMB1,397,000,000), which are subject to restrictions on sale and transfer, but may be leased to tenants that are engaged in software research and development and outsourcing services. As at 31 December 2025, the investment property amounting to RMB132,000,000 (2024: RMB138,000,000) is restricted for sale and transfer and shall be held for at least 15 years.

	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			2025	2024
Completed	Income approach			
Retail		Estimated yearly rental value per square metre (RMB)	480-1,800	495-1,980
Office		Estimated yearly rental value per square metre (RMB)	253-854	254-889
Car park		Estimated yearly rental value per lot (RMB)	3,348-5,542	3,600-5,573
Retail		Capitalisation rate	5.50%	5.25%
Office		Capitalisation rate	4.50%-5.00%	4.25%-4.75%
Car park		Capitalisation rate	4.00%	3.75%
Under construction	Residual approach			
Retail		Estimated yearly rental value per square metre (RMB)	829-1,026	783-1,068
Office		Estimated yearly rental value per square metre (RMB)	443-648	439-655
Car park		Estimated yearly rental value per lot (RMB)	3,922-4,959	3,968-4,959
Retail		Capitalisation rate	5.50%	5.25%
Office		Capitalisation rate	5.00%	4.75%
Car park		Capitalisation rate	4.00%	3.75%
Office and car park		Development profit	3.00%-15.00%	1.50%-18.00%

A significant increase/(decrease) in the estimated yearly rental value per square metre or per lot in isolation would result in a significantly higher/(lower) fair value of the investment properties. A significant increase/(decrease) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties.

Generally, a change in the assumption made for the estimated yearly rental value per square metre or per lot is accompanied by a directionally similar change in the development profit and an opposite change in the capitalisation rate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

18 Land Held for Development for Sale

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of year	789,963	784,538
Additions	486	5,425
Carrying amount at end of year	790,449	789,963
Current portion	(790,449)	(789,963)
Non-current portion	–	–

As at 31 December 2025, certain of the Group's land held for development for sale of RMB727,613,000 (2024: RMB727,613,000) were pledged to banks to secure the bank and other loans granted to the Group (note 30).

19 Intangible Assets

	Right-of-use Assets RMB'000	Licenses and software RMB'000	Total RMB'000
At 1 January 2024	8,598	4,969	13,567
Amortisation during the year	(1,802)	(1,430)	(3,232)
At 31 December 2024 and 1 January 2025	6,796	3,539	10,335
Amortisation during the year	(1,802)	(986)	(2,788)
At 31 December 2025	4,994	2,553	7,547

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

20 Investments in Joint Ventures

	2025 RMB'000	2024 RMB'000
Share of net assets	552,586	577,982

The Group's other receivable balances due from joint ventures are disclosed in note 26 to the consolidated financial statements. The Group's other payable balances due to joint ventures are disclosed in note 29 to the consolidated financial statements. Particulars of the joint ventures, all of which are unlisted corporate entities, are as follows:

Company name	Place of registration/ business	Percentage of ownership interest (%)		Principal activities
		2025	2024	
Shenzhen Shenlong Yida BEST City Development Company Limited (深圳市深龍億達科技園發展有限公司) ^{@#}	PRC/Mainland China	55	55	Business park investment and management
Chengdu Yida Chuangzhi Park Zone Operation Management Company Limited (成都億達創智園區運營管理有限公司) ^{@#}	PRC/Mainland China	51	51	Business park investment and management
Beijing Shichuang Yida Technology Service Co., Ltd. (北京實創億達科技服務有限公司) ^{@#}	PRC/Mainland China	51	51	Consulting service
Wuhan New Software Park Development Company Limited ("Wuhan NSP") (武漢軟件新城發展有限公司) ^{@#^}	PRC/Mainland China	50	50	Property development

@ Registered as domestic limited liability companies under PRC law.

The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as these companies did not register any official English names.

^ Material joint venture

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

20 Investments in Joint Ventures (Continued)

(i) Summarized financial information for joint ventures

The following tables illustrate the summarized financial information in respect of material joint ventures, namely Wuhan NSP and its subsidiaries, adjusted for any differences in accounting policies:

Wuhan NSP and its subsidiaries:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Current assets	1,078,290	1,114,968
Non-current assets	482,656	509,085
Current liabilities	(278,816)	(267,824)
Non-current liabilities	(194,723)	(218,906)
Net assets	1,087,407	1,137,323
	2025 RMB'000	2024 RMB'000
Reconciliation to carrying amounts:		
Opening net assets 1 January	1,137,323	1,138,302
Loss for the year	(49,916)	(979)
Closing net assets	1,087,407	1,137,323
	2025 RMB'000	2024 RMB'000
The Group's share of profit or loss	50%	50%
Carrying amount	545,277	570,235

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

20 Investments in Joint Ventures (Continued)

(i) Summarized financial information for joint ventures (Continued)

Wuhan NSP and its subsidiaries: (Continued)

	2025 RMB'000	2024 RMB'000
Revenue	33,209	124,384
Interest income	3	11
Depreciation and amortisation	(426)	(1,134)
Interest expenses – net	(5,624)	(8,912)
Income tax credits/(expenses)	5,516	(131)
Loss and total comprehensive loss for the year	(49,916)	(979)

	2025 RMB'000	2024 RMB'000
Dividends received from joint venture entities	–	–

Aggregate information of joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
The Group's share of profit/(loss)	888	(1,144)
The Group's share of total comprehensive income/(loss)	888	(1,144)
Aggregate carrying amount of the Group's interests in these joint ventures	7,309	7,747

(ii) Commitments in respect of joint ventures

	2025 RMB'000	2024 RMB'000
Commitment of capital injection into a joint venture	2,040	5,040

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

21 Investments in Associates

	2025 RMB'000	2024 RMB'000
Share of net assets	1,000	1,000

Particulars of the associates, which are unlisted corporate entities, are as follows:

Company name	Place of registration/ business	Percentage of ownership interest (%)		Principal activities
		2025	2024	
Crown Speed Investments Limited (佳際投資有限公司)	Hong Kong	21.22	21.22	Investment holding
Capital Chain Holdings Limited (志圖控股有限公司)	Hong Kong	7	7	Investment holding
Better Chance Investments Limited (鴻禧投資有限公司)	Hong Kong	7	7	Investment holding
Zhumadianshi Dongda Real Estate Company Limited (駐馬店市東達置業有限公司)*	PRC/Mainland China	10	10	Property management
Heilongjiang Yida Jinyuan Park Management Company Limited (黑龍江省億達金源園區管理有限公司)*	PRC/Mainland China	30	30	Business park investment and management

The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as these companies did not register any official English names.

The Group did not have any material associates for the years ended 31 December 2025 and 2024.

Aggregate information of associates that are not individually material:

	2025 RMB'000	2024 RMB'000
The Group's share of profit	-	-
The Group's share of total comprehensive income	-	-
Aggregate carrying amount of the Group's interests in these associates	1,000	1,000

During the year ended 31 December 2025, no impairment loss on investment in an associate was recognised (2024: nil).

As at 31 December 2025, the impairment losses on investment in associates were RMB3,785,000 (2024: RMB3,785,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

22 Properties under Development

The properties under development are stated at the lower of cost and net realisable value.

	2025 RMB'000	2024 RMB'000
Properties under development expected to be completed:		
Within normal operating cycle included under current assets	1,345,432	2,924,185
Less: Provisions for impairment loss	(188,541)	(116,569)
	1,156,891	2,807,616
Properties under development expected to be completed within normal operating cycle and recoverable:		
– Within one year	416,314	1,567,191
– After one year	740,577	1,240,425
	1,156,891	2,807,616

As at 31 December 2025, certain of the Group's properties under development of RMB236,959,000 (2024: RMB1,544,768,000) were pledged to banks to secure the loans granted to the Group (note 30).

23 Completed Properties Held for Sale

The completed properties held for sale are stated at the lower of cost and net realisable value.

	2025 RMB'000	2024 RMB'000
Completed properties held for sale	8,716,441	8,021,282
Less: Provisions for impairment loss	(810,088)	(522,911)
	7,906,353	7,498,371

As at 31 December 2025, certain of the Group's completed properties held for sale of RMB5,887,206,000 (2024: RMB5,523,494,000) were pledged to banks to secure the loans granted to the Group (note 30).

24 Contract Assets

	2025 RMB'000	2024 RMB'000
Contract assets	224,839	172,406
Less: Allowances for impairment of contract assets	(2,783)	(179)
	222,056	172,227

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

25 Trade Receivables

	2025 RMB'000	2024 RMB'000
Trade receivables – gross amount	498,095	502,814
Less: Allowances for impairment of trade receivables	(179,679)	(180,428)
	318,416	322,386

Trade receivables are mainly arisen from sales of properties, leases of investment properties and other services businesses. The payment terms of receivables are stipulated in the relevant contracts. Trade receivables are non-interest-bearing.

An aging analysis of the gross trade receivables as at the end of the reporting period, based on the invoice date and before net of provision, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	231,850	205,416
1 to 2 years	53,656	54,475
Over 2 years	212,589	242,923
	498,095	502,814

As at 31 December 2025, a provision of RMB179,679,000 (2024: RMB180,428,000) was made against the gross amount of trade receivables (note 43).

26 Prepayments, Deposits and Other Receivables

	2025 RMB'000	2024 RMB'000
Prepayments	480,029	467,137
Deposits and other receivables – gross amount	1,144,951	1,344,453
Less: Allowances for impairment of deposits and other receivables	(511,110)	(496,580)
Carrying amount at end of year	1,113,870	1,315,010
Current portion	(867,860)	(948,173)
Non-current portion	246,010	366,837

The Group applies the general approach to provide for expected credit losses prescribed by HKFRS 9.

As at 31 December 2025, included in the Group's prepayments, deposits and other receivables are amounts due from associates of RMB30,469,000 (2024: RMB32,283,000), which are unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

26 Prepayments, Deposits and Other Receivables (Continued)

As at 31 December 2025, included in the Group's prepayments, deposits and other receivables due from joint ventures of RMB5,978,000 (2024: RMB2,560,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2025, included in the Group's other receivables are advances of RMB246,010,000 (2024: RMB397,010,000) to certain local government authorities in Dalian, the PRC, in connection with the primary land development of certain land parcels in Dalian, the PRC.

27 Cash and Cash Equivalents and Restricted Cash

	2025 RMB'000	2024 RMB'000
Cash and bank balances	241,056	373,802
Less: Restricted cash	(125,792)	(217,548)
Cash and cash equivalents	115,264	156,254

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB240,772,000 (2024: RMB373,482,000).

Notes:

- According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. At 31 December 2025, such guarantee deposits amounted to RMB10,694,000 by certain subsidiaries of the Group (2024: RMB8,643,000).
- At 31 December 2025, the deposits of the Group amounted to RMB115,098,000 (2024: RMB208,905,000), which were the deposits placed at designated bank accounts by certain subsidiaries of the Group for the payments of construction costs of related property projects upon approval, provisions for potential industrial accidents during construction work and talent training, according to the relevant regulation implemented by the local government and contracts.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28 Trade Payables

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	1,647,994	2,231,487
Above 1 year	1,411,712	1,113,431
	3,059,706	3,344,918

The trade payables are non-interest-bearing and unsecured.

29 Other Payables and Accruals

	2025 RMB'000	2024 RMB'000
Employee benefits payable	113,406	108,514
Accruals	2,298,268	1,716,610
Other payables	3,534,306	3,221,620
Carrying amount at end of the year	5,945,980	5,046,744
Current portion	(5,945,980)	(5,046,744)
Non-current portion	–	–

As disclosed in note 7 to the consolidated financial statements, upon the completion of the 2024 Debt Arrangement, the payables due to Main Zone Limited and Innovate Zone Group Limited were settled and thus no payables to Main Zone Limited and Innovate Zone Group Limited as at 31 December 2024 and 2025.

As at 31 December 2025, included in the Group's other payables were amounts due to Aetos Parties of RMB1,579,510,000 bearing interest rate of 21.9% per annum (2024: RMB1,444,162,000), which were in connection with the acquisition of the remaining equity interests in Dalian Yihong and Dalian Yize. Pursuant to the settlement agreement with Aetos Parties dated on 4 March 2021, the Group should settle the payables to Aetos Parties by instalments before 30 September 2021 in accordance with an agreed payment schedule. However, the Group failed to fulfill the settlement agreement, and therefore Aetos Parties formally demanded the Group several times to settle the unpaid balance, among other actions, to Aetos Parties' satisfaction, or otherwise a winding-up petition may be presented to the court. As at 31 December 2025, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,579,510,000 (2024: RMB1,444,162,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

30 Interest-Bearing Bank and Other Borrowings

	2025		2024	
	Effective interest rate (%)	RMB'000	Effective interest rate (%)	RMB'000
Current				
Bank loans – secured	3.50-6.50	5,010,454	3.95-6.50	5,340,153
Other loans – secured	2.00-12.00	4,234,014	2.00-12.00	4,119,741
Other loans – unsecured	4.00-6.00	2,290,885	1.20-6.00	2,158,452
		<u>11,535,353</u>		<u>11,618,346</u>
Non-current				
Other loans – unsecured		–	2.00	52,538
		<u>11,535,353</u>		<u>11,670,884</u>

	2025	2024
	RMB'000	RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	5,010,454	5,340,153
Other loans repayable:		
Within one year or on demand	6,524,899	6,278,193
In the second year	–	52,538
	<u>11,535,353</u>	<u>11,670,884</u>

As at 31 December 2025, included in bank loans of the Group is an amount of RMB1,570,504,000 (2024: RMB1,574,553,000) containing an on-demand clause, which has been classified as current liabilities. For the purpose of the table above, the loans are included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

The current bank loans and other loans included borrowings with principal amounts of RMB891,740,000 (2024: RMB4,118,035,000) with maturity beyond 31 December 2026 which have been reclassified as current liabilities as at 31 December 2025 as a result of the matters described in note 2.1(c) to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

30 Interest-Bearing Bank and Other Borrowings (Continued)

- (a) As at 31 December 2025, included in other loans of the Group were the first tranche and the second tranche of corporate bonds with the principal amounts of RMB800,000,000 and RMB249,523,000 respectively (2024: RMB800,000,000 and RMB249,523,000 respectively). The first tranche and the second tranche of the corporate bonds were issued by Yida Development Company Limited, an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively.

As at 31 December 2024, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2026, bearing interest at a rate of 4% per annum. As at 31 December 2024, certain second tranche of corporate bond with the principal amount of RMB200,000,000 were extended to 31 December 2026, bearing interest at a rate of 4% per annum, and remaining second tranche of corporate bond with the principal amount of RMB49,523,000 were extended to 31 December 2026, bearing interest at a rate of 2% per annum till 31 December 2024 and 4% per annum from 1 January 2025 to 31 December 2026 respectively. Although the maturity of the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 and certain second tranche of corporate bond with the principal amount of RMB200,000,000 were beyond 31 December 2025, they have been reclassified as current liabilities as at 31 December 2024 as a result of the matters described in note 2.1(c) to the consolidated financial statements.

As at 31 December 2025, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2026, bearing interest at a rate of 4% per annum. As at 31 December 2025, certain second tranche of corporate bond with the principal amount of RMB249,523,000 were extended to 31 December 2026, bearing interest at a rate of 4% per annum. The maturity of the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 and certain second tranche of corporate bond with the principal amount of RMB249,523,000 were by 31 December 2026, they have been classified as current liabilities as at 31 December 2025. The first tranche of corporate bond with the principal amount of RMB800,000,000 and certain second tranche of corporate bond with the principal amount of RMB200,000,000 have triggered the cross-default terms of their respective borrowing agreements.

- (b) On 17 February 2022, a solicitation of consents for the senior notes (the “**Senior Notes**”) was completed. Previous events of default of the Senior Notes and other cross-default terms were waived. The maturity date of the Senior Notes was extended to 30 April 2025 while the interest rate of the Senior Notes changed to 6% per annum and the Company should pay consent fee and the lieu of accrued interest of USD11,500,000 in total. Pursuant to the solicitation of consents for the Senior Notes, the non-payment of lieu of accrued interest due and non-payment of accrued interest due may lead to holders of the Senior Notes (the “**Holders**”) demanding for acceleration of repayment under the Senior Notes. On 8 March 2024, the trustee was instructed by the Holders, holding at least 25% of the aggregate principal amount of the Senior Notes and sent a notice (the “**Notes Acceleration Notice**”) to the Company by virtue of the non-payment of certain consent fee due, all lieu of accrued interest due and accrued interest due. Upon receiving the Notes Acceleration Notice, the principal, the premium (if any), and accrued and unpaid interest on the Senior Notes (collectively, the “**Overdue Amount**”) became immediately due and payable on demand and the Company shall pay default interest in cash to the Holders on the Overdue Amount at the rate of 2% per annum over the interest rate of the Senior Notes and following the date on which the Overdue Amount triggered an event of default up to but excluding the date on which the Overdue Amount are paid or, if applicable, are waived by the Holders.

As at 31 December 2025, included in other loans of the Group were Senior Notes with carrying amount of RMB1,813,566,000 (2024: RMB1,724,806,000) which constituted an event of default and were unsecured and guaranteed by certain subsidiaries of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

30 Interest-Bearing Bank and Other Borrowings (Continued)

- (c) Certain of the Group's bank and other loans are secured or guaranteed by:
- (i) mortgages over the Group's properties under development with an aggregate carrying value at 31 December 2025 of approximately RMB236,959,000 (2024: RMB1,544,768,000);
 - (ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2025 of approximately RMB12,845,162,000 (2024: RMB14,237,067,000);
 - (iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2025 of approximately RMB727,613,000 (2024: RMB727,613,000);
 - (iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2025 of approximately RMB5,887,206,000 (2024: RMB5,523,494,000);
 - (v) pledge of a building of the Group with a carrying value at 31 December 2025 of approximately RMB7,410,000 (2024: RMB13,543,000);
 - (vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB7,237,897,000 (2024: RMB7,467,789,000) as at 31 December 2025;
 - (vii) pledges of certain equity interests of the subsidiaries of the Company;
- (d) Other than certain other loans with a carrying amount of RMB1,872,821,000 (2024: RMB1,785,407,000) denominated in USD as at 31 December 2025 and RMB375,078,000 (2024: RMB384,350,000) denominated in HKD as at 31 December 2025, all bank and other loans of the Group are denominated in RMB as at 31 December 2025 and 2024.
- (e) As at 31 December 2025, included in other loans of the Group were loans from related parties (Shanghai Jiayu Medical Investment Management Co., Ltd. and Jiahuang (Holdings) Investment Limited) controlled by the same ultimate holding company with principal amounts of RMB662,382,000 (2024: RMB663,485,000), among which RMB410,823,000 (2024: RMB411,926,000) were unsecured, bearing interest at 6% per annum (2024: 6%), with the mortgage agreement signed in respect of the remaining RMB251,559,000 (2024: RMB251,559,000), bearing interest at 6% per annum (2024: 6%).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

31 Provision for Land Appreciation Tax

	RMB'000
At 1 January 2024	1,999,382
Charged to the consolidated statement of profit or loss during the year (note 12)	152,635
Payments for the year	(292,179)
At 31 December 2024 and 1 January 2025	1,859,838
Charged to the consolidated statement of profit or loss during the year (note 12)	302,773
Payments for the year	(92,587)
At 31 December 2025	2,070,024

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated, made and included a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

32 Deferred Tax

	2025 RMB'000	2024 RMB'000
Deferred tax assets	337,857	327,228
Deferred tax liabilities	(1,848,226)	(2,251,733)
	(1,510,369)	(1,924,505)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

32 Deferred Tax (Continued)

The gross movement on the deferred income tax account is as follows:

	2025 RMB'000	2024 RMB'000
Opening balance	(1,924,505)	(2,046,577)
Credited to profit or loss	414,136	122,072
	(1,510,369)	(1,924,505)

As at 31 December 2025, deferred income tax assets and deferred income tax liabilities amounting to RMB16,282,000 (2024: RMB16,635,000) were offset.

The movements in deferred income tax assets and liabilities for both years ended 31 December 2025 and 2024 without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(a) Deferred tax assets

The movements in deferred tax assets before offsetting are as follows:

Movements	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Unrealised profits from intra-group transactions RMB'000	Provision for LAT RMB'000	Impairment provision on financial and contract assets RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	14,511	62,462	475,558	21,584	2,953	577,068
(Charged)/credited to profit or loss	(37)	3,933	(236,309)	-	(792)	(233,205)
Disposal of subsidiaries	-	-	-	-	-	-
At 31 December 2024	14,474	66,395	239,249	21,584	2,161	343,863
(Charged)/credited to profit or loss	(8)	(9,165)	19,794	-	(345)	10,276
At 31 December 2025	14,466	57,230	259,043	21,584	1,816	354,139

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

32 Deferred Tax (Continued)

(b) Deferred tax liabilities

The movements in deferred tax liabilities before offsetting are as follows:

Movements	Revaluation of investment properties RMB'000	Right-of-use assets RMB'000	Fair value adjustments of subsidiaries RMB'000	Total RMB'000
At 1 January 2024	(1,831,408)	(10,908)	(781,329)	(2,623,645)
Credited to profit or loss	278,658	910	75,709	355,277
At 31 December 2024	(1,552,750)	(9,998)	(705,620)	(2,268,368)
Credited to profit or loss	364,123	641	39,096	403,860
At 31 December 2025	(1,188,627)	(9,357)	(666,524)	(1,864,508)

The Group had unutilised tax losses of approximately RMB4,348,885,000 (2024: RMB3,658,577,000) as at 31 December 2025, that can be carried forward for five years from the year in which the losses arose for offsetting against future taxable profits of the tax entities in which the losses arose. Deferred tax assets are recognised for tax losses carried forward only to the extent that the realisation of the related benefits through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of such unutilised tax losses as the realisation of the related benefits is uncertain.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be levied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2025 and 2024, no deferred tax liability has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, these subsidiaries will not distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB4,815,971,000 as at 31 December 2025 (2024: RMB5,109,068,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

33 Share Capital

	2025 RMB'000	2024 RMB'000
Authorised:		
50,000,000,000 shares of US\$0.01 each	3,124,300	3,124,300
Issued and fully paid:		
2,583,970,000 ordinary shares of US\$0.01 each	159,418	159,418

34 Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2025	1,288,734	769,198	352,979	25,292	81,000	4,588,880	7,106,083
Comprehensive income							
Loss for the year	-	-	-	-	-	(3,075,821)	(3,075,821)
Total comprehensive loss for the year	-	-	-	-	-	(3,075,821)	(3,075,821)
Transactions with owners							
Effect of deregistration of a subsidiary	-	(415)	-	-	-	-	(415)
Balance at 31 December 2025	1,288,734	768,783	352,979	25,292	81,000	1,513,059	4,029,847

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

34 Reserves (Continued)

	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2024	1,288,734	765,002	352,979	25,292	81,000	6,928,182	9,441,189
Comprehensive income							
Loss for the year	-	-	-	-	-	(2,335,106)	(2,335,106)
Total comprehensive income for the year	-	-	-	-	-	(2,335,106)	(2,335,106)
Transactions with owners							
Appropriation to surplus reserve	-	4,196	-	-	-	(4,196)	-
Balance at 31 December 2024	1,288,734	769,198	352,979	25,292	81,000	4,588,880	7,106,083

- **Statutory surplus reserve**

Transfers from retained profits to the statutory surplus reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and were approved by the respective boards of directors.

- **Merger reserve**

The merger reserve represents the reserve arising pursuant to the reorganisation of the Group in 2013.

- **Share-based payment reserve**

The share-based payment reserve represents the reserve arising pursuant to the reorganisation of the Group in 2013. The amount of RMB81,000,000 represents the difference between the estimated fair value of the shares at the date of issue and the consideration paid by the companies owned by certain employees of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

35 Financial Guarantees

The Group had the following financial guarantees as at the end of the reporting period:

- (a) As at 31 December 2025, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB131,520,000 (2024: RMB156,316,000).

At the end of the reporting period, the Group provided guarantees in respect of the mortgage facilities granted by certain banks to certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default on mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks.

Under the above arrangement, the related properties were pledged to the banks as security on the mortgage loans. Upon default on mortgage payments by these purchasers, the banks are entitled to take over the legal titles and can realise the pledged properties through open auction. The Group is obliged to repay the banks for the shortfall if the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans, and ends upon the earlier of (i) the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties; and (ii) the settlement of mortgage loans between the mortgage banks and the purchasers.

- (b) The Group provided guarantees to the extent of RMB31,961,000 (2024: RMB56,113,000) as at 31 December 2025 in respect of bank loans granted to its joint ventures.

In determining whether financial liabilities should be recognised in respect of the Group's financial guarantee contracts, the Directors exercise judgement in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation.

In the opinion of the Directors, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the Directors consider that the possibility of the default of the parties involved is remote, and accordingly, no value has been recognised in the consolidated financial statements and no expected credit losses has been recognised.

36 Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other loans are included in note 30 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

37 Operating Lease Arrangements as a Lessor

The Group leases its investment properties (note 17) under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and to provide for periodic rent adjustments according to the then prevailing market conditions. Certain contingent rent receivables are determined based on the turnover of the lessees.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2025 RMB'000	2024 RMB'000
Within one year	65,100	165,593
In the second to fifth years, inclusive	162,418	284,155
After five years	199,511	184,333
	427,029	634,081

38 Commitments

In addition to the operating lease commitments, the Group had the following capital commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	2,089,329	3,285,535
Capital contribution to a joint venture	2,040	5,040
	2,091,369	3,290,575

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

39 Notes to the Consolidated Statement of Cash Flows

Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease RMB'000	Total RMB'000
At 1 January 2024	11,957,048	11,810	11,968,858
Changes from financing cash flows	(286,201)	(3,166)	(289,367)
Foreign exchange movements	32,408	–	32,408
Changes in interest accruals	(1,256)	–	(1,256)
Other movements-net	(31,115)	–	(31,115)
At 31 December 2024	11,670,884	8,644	11,679,528
At 1 January 2025	11,670,884	8,644	11,679,528
Changes from financing cash flows	(254,943)	(1,379)	(256,322)
Foreign exchange movements	(49,116)	–	(49,116)
Other movements-net	168,528	–	168,528
At 31 December 2025	11,535,353	7,265	11,542,618

40 Related Party Transactions

(a) In addition to the transactions and balances detailed elsewhere in the consolidated financial statements, the Group had no material transactions with related parties during the year ended 31 December 2025 (2024: nil).

(b) Compensation of key management personnel of the Group

In the opinion of the Directors, the Directors represent the key management personnel of the Group and details of the compensation are set out in note 10 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

41 Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

At 31 December 2025

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 25)	318,416
Deposits and other receivables (note 26)	633,841
Restricted cash (note 27)	125,792
Cash and cash equivalents (note 27)	115,264
	1,193,313

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables (note 28)	3,059,706
Other payables and accruals (note 29)	5,437,983
Interest-bearing bank and other borrowings (note 30)	11,535,353
Lease liabilities (note 16(a))	7,265
	20,040,307

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

41 Financial Instruments by Category (Continued)

At 31 December 2024

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 25)	322,386
Deposits and other receivables (note 26)	847,873
Restricted cash (note 27)	217,548
Cash and cash equivalents (note 27)	156,254
	<hr/>
	1,544,061

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables (note 28)	3,344,918
Other payables and accruals (note 29)	4,481,339
Interest-bearing bank and other borrowings (note 30)	11,670,884
Lease liabilities (note 16(a))	8,644
	<hr/>
	19,505,785

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

42 Fair Value and Fair Value Hierarchy of Financial Instruments

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025 and 2024 respectively.

Fair value hierarchy as at 31 December 2025

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 17)	–	–	13,852,300	13,852,300
	–	–	13,852,300	13,852,300

Fair value hierarchy as at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 17)	–	–	15,829,000	15,829,000
	–	–	15,829,000	15,829,000

The fair values of the non-current portion of other receivables and interest-bearing bank and other borrowings are approximate to their carrying amounts as at 31 December 2025 and 2024.

The details of the valuation technique and inputs used in the fair value measurement of investment properties has been disclosed in note 17 to the consolidated financial statements.

During the year ended 31 December 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: nil).

The Group's finance department determines the policies and procedures for recurring fair value measurement, such as investment properties. The finance department comprises the head of the investment properties segment, head of the Group's investment team, chief financial officer and the managers of each property.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

42 Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

External valuers are involved for the valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the finance department. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The finance department decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the finance department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the finance department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The finance department, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

43 Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Market risk

The Group's assets are predominantly in the form of land held for development for sale, investment properties, properties under development and completed properties held for sale. In the event of a severe downturn in the property market, these assets may not be readily realised.

The sensitivity analyses of fair value measurement of investment properties are disclosed in note 17 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

43 Financial Risk Management Objectives and Policies (Continued)

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Other than deposits held at banks, the Group does not have significant interest-bearing assets. Restricted deposits were held at banks in Mainland China at the same savings rate of unrestricted deposits throughout the year. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before income tax and capitalised interest. There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in basic points	Effect on loss before income tax RMB'000
31 December 2025		
RMB	50	(1,423)
RMB	50	1,423
31 December 2024		
RMB	50	(1,465)
RMB	50	1,465

(c) Foreign currency risk

All of the Group's revenue and substantially all of the Group's operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under the existing PRC foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, approval from appropriate PRC governmental authorities is required where RMB is to be converted into a foreign currency and remitted out of Mainland China to pay capital account items, such as the repayment of bank and other borrowings denominated in foreign currencies.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

43 Financial Risk Management Objectives and Policies (Continued)

(c) Foreign currency risk (Continued)

Currently, the Group's PRC subsidiaries may purchase foreign currencies for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration of Foreign Exchange. The Group's PRC subsidiaries may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration of Foreign Exchange, this could affect the Group's subsidiaries' ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Company.

The Group's financial assets and liabilities including certain short term deposits and borrowing denominated in United States dollars ("USD") and Hong Kong dollars ("HKD") are subject to foreign currency risk. Therefore, the fluctuations in the exchange rates of RMB against foreign currencies could affect the Group's results of operations.

To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risk. While the Group may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Group may not be able to hedge the Group's exposure successfully, or at all.

As at 31 December 2025, if RMB had weakened/strengthened by 9% (2024: 9%) against the USD, which was considered reasonably possible by management, the Group's loss before income tax for the year would have been increased/decreased by RMB322,229,000 (2024: RMB320,233,000) and there would be no material impact on other components of the Group's equity.

(d) Credit risk

It is the Group's policy that all customers are required to pay deposits in advance of the purchase of properties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. There is no significant concentration of credit risk within the Group.

Trade receivables are mainly arisen from sales of properties, leases of investment properties and other services businesses. Other receivables mainly comprise amounts due from related parties and advances to local government authorities in connection with primary land development. The Group closely monitors these trade receivables and other receivables to ensure actions are taken to recover these balances in case of any risk of default.

On top of the credit risk arising from the financial guarantees provided by the Group as detailed in note 35 to the consolidated financial statements, the credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents, restricted cash and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

43 Financial Risk Management Objectives and Policies (Continued)

(d) Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of individual property owner or the borrower
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

(i) Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowances for trade receivables and contract assets.

As at 31 December 2025, included in total trade receivables with gross amounts of RMB26,292,000 (2024: RMB22,144,000), which are individually subject to separate assessment for provision. The loss allowance of such trade receivables is RMB26,292,000 (2024: RMB22,144,000).

As at 31 December 2025, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward-looking information.

	31 December 2025		
	Expected loss rate	Gross carrying amount RMB'000	Expected credit loss allowance RMB'000
Within 1 year	18.51%	231,850	42,924
1 to 2 years	31.10%	53,656	16,685
Over 2 years	50.34%	186,297	93,778
		471,803	153,387

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

43 Financial Risk Management Objectives and Policies (Continued)

(d) Credit risk (Continued)

(i) Trade receivables and contract assets (continued)

As at 31 December 2025, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward-looking information.

	31 December 2024		
	Expected loss rate	Gross carrying amount RMB'000	Expected credit loss allowance RMB'000
Within 1 year	7.39%	205,416	15,180
1 to 2 years	14.52%	54,475	7,912
Over 2 years	61.23%	220,779	135,192
		480,670	158,284

For contract assets, the expected credit losses, RMB2,783,000 as at 31 December 2025 and RMB179,000 as at 31 December 2024, were determined based on carrying amounts of RMB224,839,000 and RMB172,406,000 respectively at expected loss rate of 1.24% and 0.10%.

(ii) Other receivables (excluding prepayments)

The Group uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flow	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected losses	Gross carrying amount
Stage three	Receivables for which there is credit loss since initial recognition	Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

43 Financial Risk Management Objectives and Policies (Continued)

(d) Credit risk (Continued)

(ii) Other receivables (excluding prepayments) (continued)

As at 31 December 2025, the Group provides for loss allowance for other receivables as follows:

	Category	Expected credit loss rate	Estimated gross carrying amount at default RMB'000	Loss allowance RMB'000	Carrying amount (net of impairment provision) RMB'000
Amounts due from related parties	Stage one	3.57%	31,640	(1,131)	30,509
Receivables for primary land development	Stage three	62.36%	653,667	(407,657)	246,010
Others	Stage one	0.96%	326,020	(3,142)	322,878
Others	Stage three	74.22%	133,624	(99,180)	34,444
			1,144,951	(511,110)	633,841

As at 31 December 2024, the Group provides for loss allowance for other receivables as follows:

	Category	Expected credit loss rate	Estimated gross carrying amount at default RMB'000	Loss allowance RMB'000	Carrying amount (net of impairment provision) RMB'000
Amounts due from related parties	Stage one	0.10%	32,355	(32)	32,323
Receivables for primary land development	Stage three	49.54%	786,707	(389,697)	397,010
Others	Stage one	0.79%	384,692	(3,038)	381,654
Others	Stage three	73.78%	140,699	(103,813)	36,886
			1,344,453	(496,580)	847,873

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

43 Financial Risk Management Objectives and Policies (Continued)

(e) Liquidity risk

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents (note 27) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings. In addition, banking facilities are available for contingency purposes.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	At 31 December 2025				
	On demand or within 1 year	In the second year	3 to 5 years	Beyond 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank and other borrowings (note 30)	12,154,870	-	-	-	12,154,870
Trade payables (note 28)	3,059,706	-	-	-	3,059,706
Other payables and accruals (note 29)	5,437,983	-	-	-	5,437,983
Lease liabilities (note 16(a))	3,871	1,501	3,961	1,190	10,523
	20,656,430	1,501	3,961	1,190	20,663,082
Financial guarantees issued: Maximum amount guaranteed (note 35)	163,481	-	-	-	163,481

	At 31 December 2024				
	On demand or within 1 year	In the second year	3 to 5 years	Beyond 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank and other borrowings (note 30)	12,247,967	56,500	-	-	12,304,467
Trade payables (note 28)	3,344,918	-	-	-	3,344,918
Other payables and accruals (note 29)	4,481,339	-	-	-	4,481,339
Lease liabilities (note 16(a))	3,069	2,212	4,384	1,515	11,180
	20,077,293	58,712	4,384	1,515	20,141,904
Financial guarantees issued: Maximum amount guaranteed (note 35)	212,429	-	-	-	212,429

Note:

The amounts of interest-bearing bank and other borrowings include future interest payments computed using contractual rates applicable at the end of reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

43 Financial Risk Management Objectives and Policies (Continued)

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is subject to financial covenants attached to the interest-bearing bank and other borrowings that define capital structure requirements. The financial institutions have the right to call the bank and other borrowings immediately for breach of the relevant financial covenants. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a net debt ratio, which is net debt divided by the capital. Net debt includes interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash. Capital represents total equity. The net debt ratios as at the end of the reporting periods were as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Interest-bearing bank and other borrowings (note 30)	11,535,353	11,670,884
Less: Cash and cash equivalents (note 27)	(115,264)	(156,254)
Less: Restricted cash (note 27)	(125,792)	(217,548)
Net debt	11,294,297	11,297,082
Total equity	4,320,707	7,400,975
Net debt ratio	261.4%	152.6%

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

44 Statement of Financial Position and Reserve Movements of the Company

	2025 RMB'000	2024 RMB'000
Non-Current Asset		
Investment in a subsidiary	–	–
Current Assets		
Due from subsidiaries	2,685,285	2,980,058
Cash and cash equivalents	56	152
Total current assets	2,685,341	2,980,210
Current Liabilities		
Interest-bearing bank and other borrowings	2,247,899	2,169,757
Trade payables	3,525	3,695
Other payables and accruals	143,627	126,839
Due to subsidiaries	614,833	850,687
Total current liabilities	3,009,884	3,150,978
Net Current Assets	(324,543)	(170,768)
Net assets	(324,543)	(170,768)
Equity		
Issued capital	159,418	159,418
Reserves	(483,961)	(330,186)
Total equity	(324,543)	(170,768)

Jiang Xiuwen
Director

Lu Jianhua
Director

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

44 Statement of Financial Position and Reserve Movements of the Company (Continued)

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total reserves RMB'000
As at 1 January 2024	1,288,734	81,000	(1,518,327)	(148,593)
Loss for the year and total comprehensive income for the year	-	-	(181,593)	(181,593)
As at 31 December 2024 and 1 January 2025	1,288,734	81,000	(1,699,920)	(330,186)
Loss for the year and total comprehensive loss for the year	-	-	(153,775)	(153,775)
As at 31 December 2025	1,288,734	81,000	(1,853,695)	(483,961)

45 Subsequent Event

In relation to the loan of approximately RMB93,000,000 granted by Dalian Branch of China Guangfa Bank Co., Ltd. ("**CGB Dalian**") on 8 October 2022, Yida Construction Group Company Limited ("**Yida Construction**"), an indirect wholly-owned subsidiary of the Group, failed to repay the loan principal and interest of the most recent instalment as of 6 January 2026 to CGB Dalian, resulting in the loan becoming overdue. The outstanding principal balance of the loan was RMB78,000,000.

In relation to the debt restructuring agreement entered into on 8 December 2023 between Export-Import Bank of China Liaoning Branch ("**CEXIM Liaoning Branch**") and Yida Development Company Limited ("**Yida Development**"), an indirect wholly-owned subsidiary of the Group, in respect of a loan with an original principal amount of approximately RMB102,600,000, Yida Development failed to repay the most recent instalment of principal and interest due to CEXIM Liaoning Branch, resulting in the loan becoming overdue. The outstanding principal balance under the debt restructuring agreement amounted to RMB102,200,000.

On 29 September 2020, Dalian Shenghe Property Development Company Limited ("**Dalian Shenghe**") and Dalian Software Park Rongda Development Co., Ltd. ("**Dalian Rongda**"), both subsidiaries of the Group, failed to repay the loan in accordance with the time limit stipulated under a debt restructuring agreement entered into with China Great Wall Asset Management Co. Ltd. Dalian Office ("**Great Wall AMC**"). On 26 January 2026, these subsidiaries of the Group received a civil complaint from the People's Court of Huangpu District of Shanghai filed by Great Wall AMC (the "**Plaintiff**"), which claimed that Dalian Shenghe and Dalian Rongda shall repay the principal of RMB294,000,000 together with gain on debt restructuring, liquidated damages and penalty interest accrued up to the date of actual repayment.

To the best knowledge, information and belief of the Directors of the Company, such payment will cause a material adverse effect on the financial position of the Company. The above breach of loans, along with the events disclosed in the note 2.1(c) to the consolidated financial statements, indicate that material multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

The Company is actively seeking feasible solutions to minimize the impact of the financial positions of the Company.

46 Approval of the Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2026.

Financial Summary

Certain comparative figures have been reclassified to conform with current year's presentation.

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	2,062,717	2,787,231	3,897,147	4,532,923	5,395,065
Cost of sales	(2,065,624)	(2,382,322)	(3,362,707)	(3,472,507)	(3,761,063)
Gross (loss)/profit	(2,907)	404,909	534,440	1,060,416	1,634,002
Other income	5,773	8,847	14,285	9,251	18,307
Fair value losses on investment properties	(1,705,059)	(1,024,277)	(367,342)	(37,624)	(117,238)
Net impairment losses on financial and contract assets	(16,358)	(13,627)	(547,697)	(44,767)	(15,947)
Other losses – net	(189,687)	(683,895)	(178,883)	(272,071)	(473,900)
Selling and marketing expenses	(53,239)	(76,717)	(54,277)	(118,694)	(220,957)
Administrative expenses	(123,846)	(122,683)	(42,137)	(238,248)	(341,198)
Finance costs	(1,062,904)	(804,560)	(688,364)	(581,088)	(821,294)
Share of results of joint ventures and associates	(24,068)	(1,633)	(30,995)	(87,755)	90,953
Loss before income tax	(3,172,295)	(2,313,636)	(1,360,970)	(310,580)	(247,272)
Income tax credits/(expenses)	92,442	(11,351)	(352,849)	(425,913)	(620,694)
Loss for the year	(3,079,853)	(2,324,987)	(1,713,819)	(736,493)	22,190
Attributable to:					
Owners of the Company	(3,075,821)	(2,335,106)	(1,695,128)	(736,773)	2,934
Non-controlling interests	(4,032)	10,119	(18,691)	280	19,256
	(3,079,853)	(2,324,987)	(1,713,819)	(736,493)	22,190
As at 31 December					
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	30,608,144	33,879,986	36,777,737	39,684,064	43,223,115
TOTAL LIABILITIES	(26,287,437)	(26,479,011)	(27,085,879)	(28,278,387)	(31,022,374)
NON-CONTROLLING INTERESTS	(131,442)	(135,474)	(91,251)	(109,942)	(168,233)
	4,189,265	7,265,501	9,600,607	11,295,735	12,032,508

YIDA 亿达

商務園區運營專家
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Yida China Holdings Limited

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