JINMAO 中国金茂

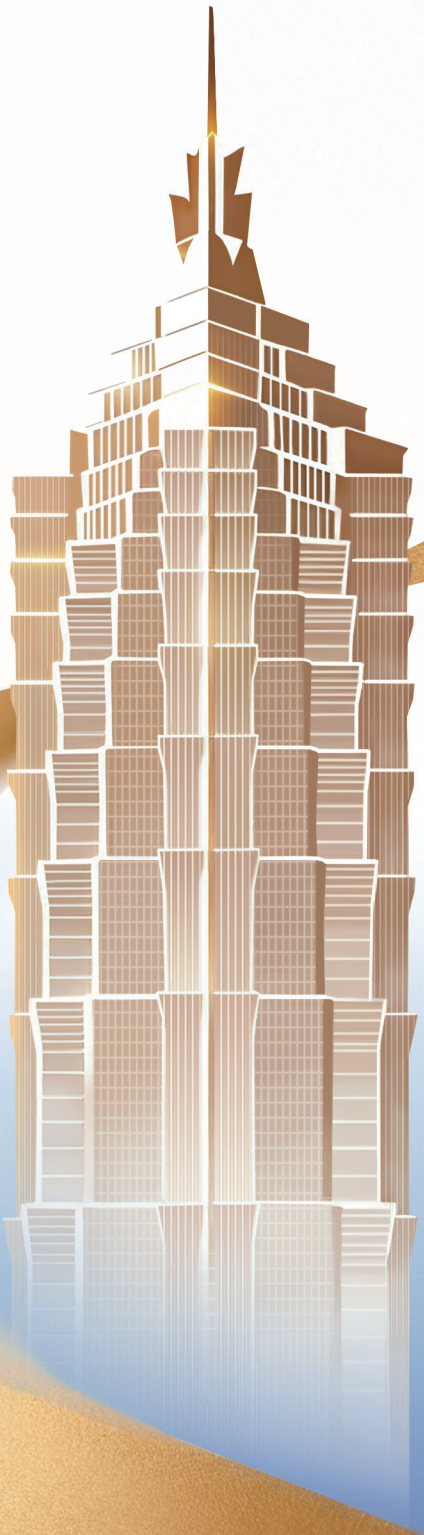
CHINA JINMAO HOLDINGS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 00817

QUALITY BUILDS A BETTER LIFE

ANNUAL REPORT 2025



a sinochem company

Premium Holding
Quality Service
Building Technology
Real Estate
Development

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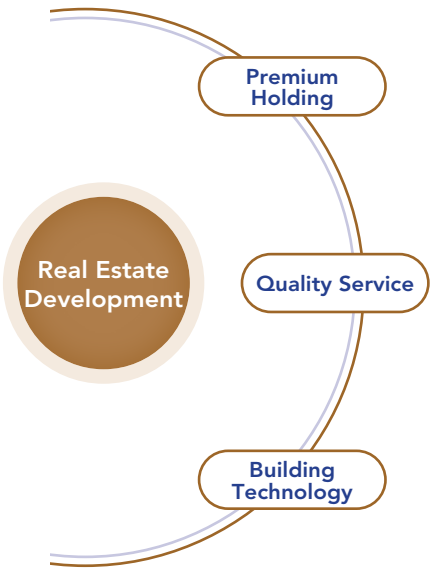
Company Overview

China Jinmao Holdings Group Limited ("China Jinmao" or the "Company") is a platform enterprise under the city operation area of Sinochem Holdings Corporation Ltd. ("Sinochem Holdings"). In 2007, China Jinmao was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") (Stock Code: HK.00817), and included in the Hang Seng Composite Index, Hang Seng Composite Industry Index – Properties & Construction, Hang Seng China State-holding Enterprises Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng China High Dividend Yield Index, etc. Sinochem Holdings is formed through the restructuring of Sinochem Group Co., Ltd. ("Sinochem Group") and China National Chemical Corporation Ltd. ("ChemChina"), and is an important state-owned backbone enterprise under the supervision of the SASAC of the State Council. With business scope covering the eight major areas of life sciences, materials science, petrochemicals, environmental science, rubber and tire, machinery and equipment, city operation and industrial finance, Sinochem Holdings is the world's leading comprehensive petrochemicals enterprise.

"ONE CORE" • "THREE FOCUSES"



In adherence to the core philosophy of "Product-driven • Customer First", China Jinmao endeavours to promote the strategic upgrading of the "ONE CORE" • "THREE FOCUSES" businesses and establishes a multi-dimensional business linkage with high-quality real estate development as the core, while focusing on premium holding, quality service, and building technology business, so as to accelerate the creation of a second growth curve. Its business covers areas including residential and comprehensive property development, hotel operations, retail operations, commercial leasing, property services, building technology, city construction management, and urban renewal. In 2022, the property management business was spun off to establish Jinmao Property Services Co., Limited (abbreviation: Jinmao Services, stock code: HK.00816) and listed on the Hong Kong Stock Exchange; in 2024, CAMC-Jinmao Commercial REIT (fund code: 508017.SH) was listed on the Shanghai Stock Exchange.

Based on its foresight on city potentials and insights into industry trends, the Company gives full play to the synergy and linkage advantages among business segments, and continuously constructs a new development model for the industry. In order to better satisfy the people's yearning for a better life, it created a series of high-end products featuring "Jinmao" brand as the core. The four major residential product lines of "Jin Yu Man Tang" made a brilliant debut, continuously redefining "high-end" and "quality" in the industry, while "smart technology and green health" has become the unique genetic quality and brand connotation. Currently, China Jinmao has succeeded in entering China's rapidly developing regions including the Beijing-Tianjin-Hebei Metropolitan Region, the Yangtze River Delta Region and the Pearl River Delta Region. The Company holds projects in core cities including Beijing, Tianjin, Shanghai and Guangzhou, and its sales scale and comprehensive strength have entered the first echelon of the industry. Always adhering to the concept of sustainable development, its MSCI ESG rating stands firmly as A, and it has been included in the Hang Seng SCHK China Central SOES ESG Leaders Index. The Company has also ranked among the ESG Pioneer 100 Index for the Central Enterprises by the Social Responsibility Bureau of the SASAC of the State Council for two consecutive years.

Looking ahead, the Company will deeply integrate the diversified businesses of Sinochem Holdings, give full play to the synergistic advantages of new building materials, and firmly grasp the structural opportunities brought by city upgrades, consumption upgrades, and housing upgrades in the national new-type urbanisation. Implementing the philosophy of "Product-driven • Customer First", the Company will meet the people's needs for "good houses", focus on strengthening and optimising the second curve, and advance a firm step towards "living well" and "living brilliantly", striving to build China Jinmao into a leading city operator with product excellence, well-balanced structure and distinctive strengths.

Company Overview

PROPERTY DEVELOPMENT

- Ranked Top 8 in terms of contracted sales amount in 2025.
- The four major residential product lines of "Jin Yu Man Tang" made a brilliant debut, with the product lines fully upgraded.
- Successfully replenished land reserves in strategic cities of Beijing and Shanghai.

CONTRACTED SALES AMOUNT
(RMB million)

2025 113,500
2024 98,255

PROPERTY INVESTMENT

- Major investment properties include 13 retail commercial centres and office buildings.
- Hangzhou Qinwang Water Street project was opened with high quality during the year.

RENTAL REVENUE
(RMB million)

2025 1,672.1
2024 1,697.3

HOTEL OPERATIONS

- Principally operating 12 luxury hotels offering over 3,601 guest rooms.
- Light asset operation projects Jiangyin Jiayue Hotel and Nanchang Jiayue Hotel were opened in April and November during the year, respectively.

HOTEL REVENUE
(RMB million)

2025 1,620.2
2024 1,698.6

JINMAO SERVICES

- Total GFA under management of approximately 105.7 million square metres, covering 66 cities across 25 provinces, municipalities and autonomous regions in China, and 636 property projects were managed in China comprising 430 residential communities and 206 non-residential properties.

JINMAO SERVICES REVENUE
(RMB million)

2025 3,667.8
2024 2,966.0

Corporate Information

COMPANY NAME

China Jinmao Holdings Group Limited

PRINCIPAL OFFICE

Rooms 4702-4703
47th Floor, Office Tower, Convention Plaza
No. 1 Harbour Road
Wan Chai, Hong Kong

EXECUTIVE DIRECTORS

Mr. TAO Tianhai (Chairman & Acting Chief Executive Officer)
Mr. ZHANG Hui (Senior Vice President)
Ms. QIAO Xiaojie (Chief Financial Officer)

NON-EXECUTIVE DIRECTORS

Mr. CUI Yan
Mr. LIU Wen
Mr. CHEN Yijiang
Ms. WANG Wei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Feng
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

CHIEF FINANCIAL OFFICER

Ms. QIAO Xiaojie

QUALIFIED ACCOUNTANT

Mr. LIAO Chi Chiun

COMPANY SECRETARY

Mr. LIAO Chi Chiun

AUTHORISED REPRESENTATIVES

Mr. TAO Tianhai
Ms. QIAO Xiaojie

ALTERNATE AUTHORISED REPRESENTATIVE

Mr. LIAO Chi Chiun

LEGAL ADVISORS

Jun He Law Offices
7/F AIA Central
1 Connaught Road
Central, Hong Kong

Tian Yuan Law Firm
Unit 509, Tower A, Corporate Square
No. 35 Finance Street
Xicheng District, Beijing

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

STOCK CODE

00817

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
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Wanchai, Hong Kong

INVESTOR ENQUIRY

E-mail: chinajinmao_IR@sinochem.com

WEBSITE

www.chinajinmao.cn

Financial Highlights

	2025 (RMB million)	2024 (RMB million)	Percentage change (%)
Revenue	**59,371.3**	**59,053.0**	**1%**
Gross profit	**9,221.3**	**8,596.9**	**7%**
Profit attributable to owners of the parent	**1,253.2**	**1,064.8**	**18%**
Less: Fair value losses on investment properties (net of deferred tax)	-109.5	-268.0	59%
Profit attributable to owners of the parent – excluding fair value losses on investment properties (net of deferred tax)	1,362.7	1,332.8	2%
Total assets	**441,733.8**	**409,256.4**	**8%**
Equity attributable to owners of the parent	**53,237.1**	**53,575.1**	**-1%**
Basic earnings per share (RMB cents)	**4.38**	**5.19**	**-16%**
Basic earnings per share – excluding fair value losses on investment properties (net of deferred tax) (RMB cents)	5.19	7.18	-28%
Dividend (HK cents) (Note 1) – final and interim dividend per share	3.0	3.0	0%
Net debt-to-adjusted capital ratio (%) (Note 2)	69	67	N/A

Note 1: Interim dividend of HK3.0 cents per share and final dividend of HK0 cent per share (totalling HK3.0 cents per share) for 2025. Interim dividend of HK3.0 cents per share and final dividend of HK0 cent per share (totalling HK3.0 cents per share) for 2024.

Note 2: For details of net debt-to-adjusted capital ratio, please see the section of "Management Discussion and Analysis • Financial Review".

Chairman's Statement

TAO Tianhai
Chairman

"The Company will explore and deploy strategies to accelerate the construction of a "new model" for development. Focusing on its main responsibilities and businesses, and centring around the product-driven elements of technological innovation, forward-looking insights, lean construction, aesthetics and art, ultimate supply chain and ultimate service, the Company aims to become a leading real estate enterprise with "a technological core, the pursuit of ultimate products, and ultimate service experience". To strengthen and optimise the second curve businesses, on the basis of continuous improvement in the development business, the Company will focus on developing premium holding, quality service, and building technology businesses, creating a recognisable leading brand that is "unique and beautiful, refined and beautiful", and achieving a closed loop of business ecosystem."

Dear Shareholders,

On behalf of the board of directors (the "Board") of China Jinmao, I hereby present the annual results of the Company and its subsidiaries (the "Group", "we" or "us") for the year ended 31 December 2025 (the "Period under Review", the "Reporting Period", "2025" or the "Year") for your review.

2025 was the concluding year of the "14th Five-Year Plan", and China's economic operation was generally stable, with development moving towards new and superior quality. The real estate market was still in the process of bottoming out, the competitive landscape of the industry was accelerating its evolution, and the operation of enterprises remained under pressure. Facing a difficult external environment, the Company unswervingly adhered to the strategy of "optimising the additional projects and revitalising the existing projects", and made effort to promote the theme year work of "six forces and three benchmarks", systematically enhancing the competitiveness of the entire chain. By continuously promoting endeavour and planning and achieving phased targets, the annual contracted sales grew against the trend and entered the top eight in the industry. Meanwhile, the stock price increase led the peers, being the first in the industry to stop the fall and stabilise.

As the Company continued to deepen its development strategy, and constantly promoted organisational upgrades, it has taken on a completely new look. We integrated the latest policy directions and market changes into the Company's strategy. Adhering to the strategic purpose of "in-depth cultivation and focus, as well as quality and efficiency improvement", and the business strategy of "ONE CORE" • "THREE FOCUSES", the Company clarified its strategic blueprint from "survival" to "living well" and "living brilliantly", striving to build China Jinmao into a leading city operator with product excellence, well-balanced structure and distinctive strengths. **By adhering to the execution strategy of "giving equal importance to both additional projects and existing projects", we have further smoothed the path to make use of additional projects to drive the disposal of existing projects.** By making greater efforts to promote revitalisation of existing assets, the Company accelerated funding return and structural optimisation. By accelerating the turnover of additional projects to the extreme, the Company achieved rapid return of funds, which were then invested in more production, ensuring "one crop per year" and striving for "two crops per year". **The Company continued to promote organisational reform, strengthened operational control and penetrating management, and improved the efficiency of operational decision-making.** For the development business, the Company streamlined its management hierarchy, disbanding the five major regions and adjusting them into a two-tiered management system of "headquarters – regional companies". For the non-development business, the Company continued to streamline its structures, and fully implemented the "platform + terminal" model, which reduced intermediary ranks and strengthened platform operations, creating a closed-loop management system encompassing "organisational reform, improved efficiency, boosted morale, and performance".

Firmly implementing our "business philosophy" and anchoring the direction of "three accelerations and one emphasis", the Company fully delivered on its performance commitments. With the rapid recovery of operating cashflow as the core, the Company accelerated the disposal of additional projects. Focusing on core segments in core cities, we acquired 21 land parcels, adding over RMB100 billion worth of high-quality saleable resources, and realised position addition and replenishment in strategic cities such as Beijing and Shanghai. The four major product lines of "Jin Yu Man Tang" were fully implemented, with all created as phenomenal hot projects locally. Various projects including Xi'an Puyi Dongfang became the city's sales champions, while sales in 11 cities ranked among top 10 in the industry, topping the city charts in Xi'an, Zhengzhou, Xiong'an, and Taiyuan. The cycle of first opening of sales, cashflow returning to positive and completion and delivery of properties was fully accelerated. Various projects including Chongqing Puyin Jinkai achieved "two crops per year". Leveraging on the success of every single additional project, the Company became the only enterprise among the top 10 real estate developers to achieve sales growth. **Taking endeavour and planning as the main starting point, we accelerated the revitalisation of existing projects.** Keeping pace with city development, the Company explored and smoothed the paths of accounting-based acquisition and storage, as well as acquisition, adjustment and supply. A total of 15 land parcels were revitalised throughout the year, achieving a breakthrough in using additional projects to drive the resolution of existing projects. At the same time, by clearing out the remaining stocks and redeveloping old projects, we accelerated the disposal of stagnant stocks, helping the Company to improve its saleable resources structure. **With the focus on promoting awareness transformation and capability transformation, the Company accelerated the creation of the second curve.** By speeding up operational breakthroughs and performance improvements, our annual revenue remained steadily growing. The holding business focused on improving operating quality and efficiency as well as creating benchmark projects, with hotel performance continuing to outperform competitors. The share price of Changsha Jinmao Mall of Splendor REIT rose by nearly 40%, gaining recognition from the capital market. In terms of property services, we identified the direction of improving quality and efficiency, accelerated organisational improvement, and promoted the governance of inefficient projects, which

Chairman's Statement

achieved positive results. In terms of building technology, we continued to consolidate the moat of Jinmao's technological IP, making efforts around fresh air, noise reduction, energy saving, physical comfort, and durability, and continuously iterating technological system products to improve our core competitiveness. **Emphasis was put on the control of risks and hidden dangers to help the Company to achieve high-quality development.** The Company consolidated the foundation of safe production and maintained a stable asset to liability ratio, effectively preventing and resolving risks.

The Company has always integrated its development into the broader national context, focused on its core mission, and fulfilled its corporate social responsibilities to the highest standards. It continues to lead the building of "good houses" with a commitment to quality, continuously strengthens customer orientation, consolidates quality management, and upgrades the customer service system. Throughout the year, the Company achieved high-quality delivery of a total of 23,000 residential units, ensuring "good delivery of houses" on the basis of "guaranteed delivery of houses". The customer satisfaction score reached 94, achieving the industry benchmark level and demonstrating Jinmao's craftsmanship in quality. **The Company implemented the concept of "green development" and achieved high-quality development.** During the year, it added 13 two-star and above green building labels, 5 ultra-low energy consumption projects, and 1 near-zero energy consumption project, assisting in the green and low-carbon transformation and sustainable development of cities. For the first time, we achieved the highest five-star rating from the rating agency GRESB, while the Wind ESG rating was upgraded to AA.

China Jinmao actively embraces reform and has completed the phased goal of "survival". Through practices, the Company has also profoundly verified the "three feasibilities": it is feasible to lead the market to an independent trend by means of products, it is feasible to promote iteration and upgrades of the Company's organisational capabilities through successful project management, and it is feasible to achieve renewal by optimising the additional projects and revitalising the existing projects. This has strengthened our confidence and determination for healthy development in the future.

Looking ahead, the next five years will be a critical period of high-quality development for the macroeconomic environment and the real estate industry, but also a key period of opportunity for financially sound enterprises with leading quality to achieve strategic breakthroughs. The people's yearning for a better life highlights structural opportunities for the industry, and the upgrades in demand, consumption, and cities will drive the industry to gradually return to a stable development track. **The Company will explore and deploy strategies to accelerate the construction of a "new model" for development.** Focusing on its main responsibilities and businesses, and centring around the product-driven elements of technological innovation, forward-looking insights, lean construction, aesthetics and art, ultimate supply chain, and ultimate services, the Company aims to become a leading real estate enterprise with "a technological core, the pursuit of ultimate products, and ultimate service experience". To strengthen and optimise the second curve businesses, on the basis of continuous improvement in the development business, the Company will focus on developing premium holding, quality service, and building technology businesses, creating a recognisable leading brand that is "unique and beautiful, refined and beautiful", and achieving a closed loop of business ecosystem. In the short term, the downward inertia of the real estate industry is still continuing, and risks have not yet been cleared. 2026 is a crucial year for setting sail on the new journey of the "15th Five-Year Plan". The Company will continue to implement the four ultimate standards, systematically promote the "six forces and three benchmarks", and resolutely win the three battles of product culture construction, second curve acceleration, and operating performance delivery, thereby accumulating momentum for renewal and upward growth.

Embarking on a magnificent journey, we strive forward to open a new chapter. China Jinmao is in a critical period of transformation from "survival" to "living well". All employees of the Company will always maintain the spirit of innovation and entrepreneurship, overcome difficulties and forge ahead, creating greater value for all shareholders, truly living up to trust and exceeding expectations. On behalf of the Board, I would like to express my sincere gratitude to the shareholders, customers, business partners of the Company and various sectors of the community.

TAO Tianhai
Chairman

Hong Kong
24 March 2026

Honours and Awards

January

China Jinmao was awarded the "Enterprise with Brand Influence of the Year" at the "20th China Real Estate Finance Annual Conference" hosted by caijing.com.cn and New Real Estate.

March

China Jinmao was awarded the "2025 Excellent Performance of Listed Enterprises (Real Estate G30+)" as the most representative, Great, Glory and most excellent Group in China at the 2025 Real Estate Excellent Enterprise Performance 100 Research Results Award Ceremony hosted by Guandian Index Academy.

August

China Jinmao was awarded the "2025 China Real Estate Comprehensive Strength Benchmark Brand Enterprise" at the "2025 15th China Real Estate Brand Development Conference" hosted by China Real Estate Business and China Institute of Urban and Regional Governance.

December

China Jinmao was honoured with "The Most Socially Responsible Listed Company Award" at the 2025 15th Listed Company Reputation List organised by National Business Daily.

China Jinmao was honoured with the Golden Bridge Award for the "Outstanding Brand Influence Enterprises of the Year" at the 2025 Thinking Finance Investors Annual Meeting and 18th Anniversary Achievements and Glory Celebration hosted by Thinking Finance and investorchina.cn.

China Jinmao won the "Most Brand Value Award" in the "List of Most Influential Enterprises of the Year" at the 2025 Cailian Press 8th Investment Annual Conference and USTC Silicon Valley Hard Technology Investment Ecology Conference hosted by Cailian Press.

China Jinmao was awarded the "2025 Responsible Brand of the Year" in the "Good Houses Made in China" series evaluation hosted by house.ifeng.com.

Management Discussion and Analysis • General Overview

CONTRACTED SALES AMOUNT IN 2025

113,500 RMB million

No. 8 in the industry

CONTRACTED UNIT PRICE IN 2025

27 RMB thousand

+24% year-on-year

REVENUE IN 2025

59,371.3 RMB million

+1% year-on-year

PROFIT BEFORE TAX IN 2025

4,967.6 RMB million

+12% year-on-year

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT IN 2025

1,253.2 RMB million

+18% year-on-year

CORE PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT IN 2025(Note 1)

1,362.7 RMB million

+2% year-on-year

At the end of 2025, the area yet to be sold of the Group's secondary property development projects was approximately

24.476 million square metres(Note 2)

Core city	Area yet to be sold (10,000 sq.m.)
Beijing	101.68
Tianjin	58.08
Xiong'an	1.64
Qingdao	167.93
Jinan	34.08
Shanghai	88.36
Nanjing	159.05
Suzhou	103.69
Wenzhou	124.81
Hangzhou	42.81
Ningbo	39.44
Hefei	14.46
Xi'an	71.13
Chengdu	36.05
Chongqing	76.28
Kunming	46.66
Guiyang	33.58
Wuhan	222.77
Changsha	53.98
Zhengzhou	49.43
Taiyuan	9.95
Nanchang	89.56
Guangzhou	71.27
Foshan	58.52
Zhuhai	17.95
Fuzhou	155.75
Xiamen	5.99
Sanya	7.07

Note 1: Core profit attributable to owners of the parent amount refers to profit attributable to owners of the parent – excluding fair value losses on investment properties (net of deferred tax).

Note 2: At the end of 2024, the area yet to be sold of the Group's secondary property development projects was approximately 26.890 million square metres.

In 2025, in the face of complex changes in the economic environment domestically and abroad, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at the core, all regions and departments thoroughly implemented the decisions and arrangements of the Party Central Committee and the State Council and resolutely implemented the new development concept, and solidly promoted high-quality development. Coordinating the domestic and international imperatives, as well as development and security, and implementing more proactive macroeconomic policies to deeply advance the construction of a unified national market, the national economy has moved forward against all odds, moving towards new and superior quality. New results were achieved in high-quality development, the major goals and tasks of economic and social development were successfully completed, and the "14th Five-Year Plan" came to a successful conclusion. GDP for the year, calculated based on constant prices, increased by 5.0% as compared with the previous year, while the disposable income per capita of residents grew by 5.0% in nominal terms compared with the previous year, and the real increase after deducting price factors was 5.0%. The incremental value created by large-scale industries across China grew by 5.9% when compared with the previous year. Fixed asset investments decreased by 3.8% when compared with the previous year.

In 2025, the real estate market still attracted much attention. During the year of 2025, area sold of newly constructed commodity housing decreased by 8.7% as compared with that in the last year; and sales amount of newly constructed commodity housing decreased by 12.6% as compared with that in the last year. The Ministry of Housing and Urban-Rural Development stated that during the "14th Five-Year Plan" period, the tasks of "guaranteed delivery of buildings" and "guaranteed delivery of houses" were fully completed. During the "15th Five-Year Plan" period, efforts shall be made to grasp the "two coordinations", promote the high-quality development of the real estate industry, and accelerate the construction of a new model of real estate development. It is necessary to adhere to implementing city-specific policies, precise policies, and one policy for one city. City governments shall make good use of their autonomy in regulating the real estate market, adjust and optimise real estate policies according to local conditions, and promote the sustained and healthy development of the real estate market.

From the perspective of landscape of the real estate market, the overall performance of real estate enterprises continued the bottoming out trend in 2025, with operating pressures remaining persistent. Overall, as homebuyers' confidence and expectations were still in the process of recovery, coupled with certain existing risks in the market, corporate sales overall still faced relatively severe challenges.

From the perspective of the hotel market, in 2025, affected by changes in the external operating environment and the reshaping of consumer psychology, the hotel market entered a period of deep adjustment, and overall operations remained under pressure. It is expected that against the backdrop of overall quality and efficiency improvement in the tourism market, the hotel industry will further develop in depth towards branding, chain operations, and group management, but in the short term, it still needs to face the challenge of compressed profit margins.

From the perspective of the commercial leasing market, with the changes in the real estate market, the decline in the increment of commercial complexes will become the new normal, and commercial real estate has entered the era of existing market. It is still necessary to face up to the challenges existing in the industry. New investments in the industry have decreased significantly, enterprises are shifting from heavy to light assets one after another, the light-asset model is gradually becoming the mainstream, and boosting market confidence remains an important task to be faced.

From the perspective of property development, during the industry cycle of deep adjustment in the real estate market, China Jinmao broke through against the trend. In 2025, it achieved a contracted sales amount of RMB113.5 billion, representing a year-on-year increase of 16%. It ranked 8th in the market, up by 4 places from last year, transcending market fluctuations with its hardcore performance. It succeeded in every single one of its first-launch projects, achieving the goal of hot sales upon launch, with 6 Palace, 7 Pu, 5 Man and 8 Tang brilliantly presented.

From the perspective of hotel operations, the prosperity index of the hotel industry continued to remain in the negative range in 2025, with market differentiation intensifying. Focusing on key performance indicators, the Company comprehensively enhanced its operating capabilities. Despite the sluggish industry environment, the performance of the Company's hotel operations continued to outperform its competitive set, and top-tier projects continued to stably contribute to profits.

From the perspective of retail operations, commercial development showed a trend of slowing down in pace but improving in quality in 2025, with consumption becoming a key driving force for high-quality economic development. The Company dynamically optimised its management measures through quantitative indicators to promote the enhancement of business efficiency. Multiple indicators of the commercial projects in operation achieved year-on-year growth, with customer flow increasing significantly year-on-year.

In fund acquisition, the Group continued to actively expand a variety of fund raising channels in 2025. In February 2025, the corporate bond in the amount of RMB1.7 billion was issued with a coupon rate of 2.79%. In March 2025, the corporate bond in the amount of RMB1.6 billion was issued with a coupon rate of 2.93%. In July 2025, the corporate bond in the amount of RMB2 billion was issued with a coupon rate of 2.38%. In July 2025, inter-bank market medium-term notes of RMB2 billion were issued with a coupon rate of 2.3%. In September 2025, the corporate bond in the amount of RMB1.95 billion was issued with a coupon rate of 2.51%.

Management Discussion and Analysis • Project Overview

PROPERTY DEVELOPMENT PROJECTS ACQUIRED SINCE 2025

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Beijing					
Beijing Chaoyang Three-Bedroom Area D Shantytown Redevelopment Land Development Project – Dalianpo Land Parcel	Chaoyang District, Beijing, China	80,830	Residential	30%	2026
Beijing Chaoyang Three-Bedroom Area D Shantytown Redevelopment Land Development Project – Three-Bedroom Land Parcel	Chaoyang District, Beijing, China	92,106	Residential	70%	2026
Beijing Chaoyang Huangshanmudian North Residence Land Parcel	Chaoyang District, Beijing, China	82,910	Residential	33%	2027
Beijing Chaoyang Huangshanmudian South Residence Land Parcel & Sunhe Commercial Land Parcel	Chaoyang District, Beijing, China	199,826	Residential	33%	2027
Beijing Fengtai Urban-Rural Integration Huaifang and Xingong Old Village Redevelopment Project Land Parcel NY-030 (South Area)-02	Fengtai District, Beijing, China	51,794	Residential	36%	2027
Chengdu					
Chengdu Longquanyi Honghe 85-mu Project	Longquanyi District, Chengdu, Sichuan Province, China	141,456	Residential	51%	2027
Chengdu Longquanyi Honghe 70-mu Project	Longquanyi District, Chengdu, Sichuan Province, China	116,448	Residential	51%	2027
Shanghai					
Shanghai Hongkou C080302 Land Parcel No .hk329-11	Hongkou District, Shanghai, China	76,310	Residential	52%	2027
Baoshan Station Phase II Land Parcel	Baoshan District, Shanghai, China	120,033	Residential, commercial	26%	2027
Shanghai Baoshan Miaohang Land Parcel	Baoshan District, Shanghai, China	100,714	Residential	40%	2027
Foshan					
Foshan Chancheng East of Guilan Road and South of Huaxiang Road Land Parcel	Chancheng District, Foshan, Guangdong Province, China	33,487	Residential	100%	2027

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Guangzhou					
Guangzhou Tianhe Shijie Daguan Phase IV Land Parcel	Tianhe District, Guangzhou, Guangdong Province, China	22,770	Residential	60%	2026
Hangzhou					
Hangzhou Gongshu Former Canal New City Land Parcel No. GS1004-08-02	Gongshu District, Hangzhou, Zhejiang Province, China	49,234	Residential	60%	2027
Hangzhou Binjiang Land Parcel No. BJ030102-25	Binjiang District, Hangzhou, Zhejiang Province, China	71,363	Residential	20%	2027
Hangzhou Gongshu Former Canal New City Land Parcel No. GS1004-09-02	Binjiang District, Hangzhou, Zhejiang Province, China	28,062	Residential	60%	2027
Hefei					
Hefei High-Tech Industrial Development Zone Land Parcel No. GX202504	High-Tech Industrial Development Zone, Hefei, Anhui Province, China	76,972	Residential	100%	2027
Nanjing					
Nanjing Jiangning Jiulong Lake Land Parcel	Jiangning District, Nanjing, Jiangsu Province, China	65,937	Residential	51%	2027
Nanjing Jiangning Zhushan Road Land Parcel No. 2025G39	Jiangning District, Nanjing, Jiangsu Province, China	129,445	Residential	80%	2027
Qingdao					
Qingdao High-Tech Industrial Development Zone North of Qingdao Middle School Land Parcel No. HD0604-001-2	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	100,230	Residential	81%	2027
Wuhan					
Wuhan Hanyang Fangdao Project New A3 Land Parcel	Hanyang District, Wuhan, Hubei Province, China	59,600	Residential	100%	2027
Wuhan Hanyang Group Building Project	Hanyang District, Wuhan, Hubei Province, China	75,114	Residential	80%	2027
Xi'an					
Xi'an Xincheng Xingfu Forest Belt 63-mu Project	Xincheng District, Xi'an, Shaanxi Province, China	116,844	Residential	40%	2027
Zhengzhou					
Zhengzhou Beilong Lake North Bank 81-mu Land Parcel	Zhengdong New District, Zhengzhou, Henan Province, China	81,393	Residential	100%	2027

MAJOR PROPERTY INVESTMENT PROJECTS

Name of project	Location	Gross floor area (square metres)	Type of project	Equity attributable to the Group	Date of completion
Beijing Chemsunny World Trade Centre	Xicheng District, Beijing, China	194,530	Office	100%	2006
Xicheng Jinmao Centre	Xicheng District, Beijing, China	49,066	Office	100%	1995
Jin Mao Tower (including hotel)	Pudong New Area, Shanghai, China	292,475	Office	100%	1999
Nanjing Xuanwu Lake Jinmao Plaza Project (including hotel) (Note 1)	Gulou District, Nanjing, Jiangsu Province, China	225,846	Complex	96%	2011
Zhangjiagang Mall of Splendor	Zhangjiagang, Suzhou, Jiangsu Province, China	123,227	Commercial	100%	2022
Qingdao Mall of Splendor	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	121,172	Commercial	100%	2022
Changsha Mall of Splendor (Note 2)	Yuelu District, Changsha, Hunan Province, China	102,742	Commercial	34%	2016
Commercial portion of Qingdao Jinmao Harbour	Shinan District, Qingdao, Shandong Province, China	61,142	Commercial	100%	2017
Tianjin Jinmao Place	Hedong District, Tianjin, China	47,693	Commercial	100%	2022
Chongqing Longyueli	Jiulongpo District, Chongqing, China	21,297	Commercial	100%	2016
Hangzhou Qinwang Water Street	Fuyang District, Hangzhou, Zhejiang Province, China	24,632	Commercial	60%	2025
Ningbo Jinmao Place	Fenghua District, Ningbo, Zhejiang Province, China	53,621	Commercial	100%	2024
Lijiang J•LIFE	Old Town, Lijiang, Yunnan Province, China	21,893	Commercial	100%	2014
Total		**1,359,846**			

MAJOR HOTEL OPERATION PROJECTS

Name of project	Location	Gross floor area (square metres)	Equity attributable to the Group	Date of completion	Number of guest rooms
Renaissance Beijing Wangfujing Hotel	Dongcheng District, Beijing, China	44,413	100%	1995	321
Grand Hyatt Shanghai (Note 3)	Pudong New Area, Shanghai, China	76,013	100%	1999	548
JW Marriott Hotel Shenzhen	Futian District, Shenzhen, Guangdong Province, China	51,730	100%	2009	402
Westin Nanjing (Note 1)	Gulou District, Nanjing, Jiangsu Province, China	33,698	96%	2011	232
Hyatt Regency Chongming	Chongming District, Shanghai, China	48,992	100%	2014	230
Lijiang Jinmao Hotel (Note 4)	Old Town District, Lijiang, Yunnan Province, China	84,384	100%	2014	394
Meixi Lake Hotel, A Luxury Collection Hotel, Changsha	Xiangjiang New District, Changsha, Hunan Province, China	62,220	100%	2017	304
Jinmao Hotel Xi'an Central	Beilin District, Xi'an, Shaanxi Province, China	12,998	100%	2007	160
Guangzhou Marriott Hotel Nansha	Nansha District, Guangzhou, Guangdong Province, China	36,904	100%	2022	261
Ningbo Jinmao Jiayue Hotel	Fenghua District, Ningbo, Zhejiang Province, China	35,277	100%	2024	260
Renaissance Qingdao Hotel	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	44,000	100%	2024	279
Element Qingdao	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	18,000	100%	2024	210
		548,629			**3,601**

(Note 1) Nanjing Mall of Splendor and Westin Nanjing are located in Nanjing Xuanwu Lake Jinmao Plaza.

(Note 2) In March 2024, CAMC-Jinmao Commercial Property REIT, with Changsha Jinmao Mall of Splendor as its underlying asset, was officially listed on the Shanghai Stock Exchange, becoming one of the first consumption infrastructure public REITs listed in China. The Company subscribed for 34% of the fund units in the REIT through an indirect wholly-owned subsidiary.

(Note 3) Grand Hyatt Shanghai is located in Jin Mao Tower.

(Note 4) Lijiang Jinmao Hotel in the urban area is situated adjacent to Beam River Ancient Town; whereas the Mountain Lodge in the scenic area is situated in Ganhaizi, Jade Dragon Snow Mountain. Lijiang Jinmao Hotel is held as to 100% interest by the Group.

Property Development

金茂府
JINMAO PALACE

Management Discussion and Analysis • Business Review

Property Development

General Overview

In 2024, China Jinmao officially launched its new residential product series, "Jin Yu Man Tang". Adhering to the product philosophy of "Product-driven • Customer First", the "Jin Yu Man Tang" product line continuously strengthens product value and core product culture.

With "Technological Inheritance and Classic Rebirth" as its core value, Jinmao Palace continuously evolves and renews itself in response to the ever-changing needs of its customers, leading the development direction of "technological and healthy residences".

The Pu series of products targets the urban elite, emphasising "Simple-style Healing and Oriental Art", creating collectible mansions with independent artistic aesthetics for high-net-worth individuals in cities.

The Man series of products is guided by the lifestyle of urban middle class, with the core value of "Comfort and Abundance, High Aesthetics and High Customisation" making every corner of the home a place to nourish the inner self and enjoy oneself with ease and comfort.

Jinmao's Tang series focuses on family growth, responding to the needs of customers of all ages. It designs 360° living solutions around the concept of "Age-friendly and Enjoyable Life", and delivers the ideal life model of the future in advance.

China Jinmao's "Jin Yu Man Tang" product line provides high-quality living solutions for segmented customer groups with its highly competitive product value, and continues to achieve excellent sales results, gaining high recognition from the market and customers.

JINMAO PALACE
Jinmao Palace Series

[Technological Inheritance and Classic Rebirth]

Shanghai • Runyun Jinmao Palace

Located in Taopu, Putuo District, the project is a low-density, all-villa residential development, representing just 1% of the prime Middle Ring area. The all-low-density villa development is the first of its kind in the Jinmao Palace 3.0 product series, inheriting the elegant oriental style of a contemporary private garden, innovating villa living in a three-dimensional manner, and empowering the wild imagination of spacious scales, green gardens, and sky-lit terraces.

During the Period under Review, the project launched five times and sold out each time, winning the "triple crown" in terms of transaction amount, transaction area, and number of units of transactions for Shanghai villa projects in 2025.

Shanghai Jiangwan • Jinmao Palace

Located in the Wusong sub-centre sector, one of Shanghai's nine sub-centres, the project is the first TOD Jinmao Palace in Shanghai. It integrates six key dimensions: high-tech housing, property atop the subway, all-round premium fit-out, customised services, a luxurious clubhouse, and the ultimate in value, achieving a further upgrade of the Jinmao Palace series 3.0 of high-tech residences, and earning it the market acclaim as the "Six-Dimensional King of the North". It has also formulated a new high-end residential improvement product for northern Shanghai, creating a future-oriented residential space with an international flair, a sense of technology, and a healthy lifestyle.

During the Period under Review, the project won unanimous praise from customers with its real scene presentation and unique curve craftsmanship. As a red-hot project on the Middle Ring line, it launched four times and achieved success each time, winning the "triple crown" for the year in terms of sales amount, area, and number of units sold within the Middle Ring line.

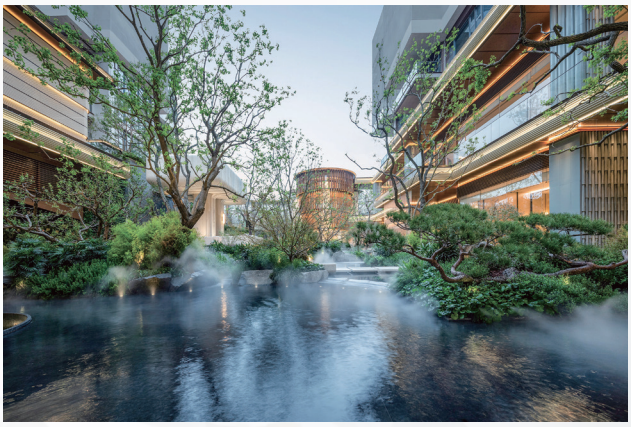
[Technological Inheritance and Classic Rebirth]

JINMAO PALACE
Jinmao Palace Series

Xi'an • Qujiang Jinmao Palace

Located in Qujiang New District, Xi'an, the project's low-density design offers residents a comfortable living experience and a pristine environment. As the Jinmao Palace series' first benchmark project in Qujiang, it features an approximately 5,000-sq.m. super-city interface, creating an elegant transition from bustling streets to tranquil homes. A 3,500-sq.m. luxury art club subverts traditional luxury, creating a diverse and complex scenario, and redefining high-end living standards through the dual-core principle of "health technology + artistic aesthetics".

During the Period under Review, since its initial launch in May, the project sustained robust sales for eight months. Its strong performance of selling out completely across its three launches continued to ignite the market, securing the Top 1 ranking in the number of units sold for premium improvement residential properties with a price above RMB30,000 per sq.m. in Xi'an. Taking the stance of a "phenomenal and enduring best-selling project", it reshaped the industry's value benchmark and became the "Jinmao Phenomenon" in the Xi'an property market.



Nanjing • Jiangning Jinmao Palace

Located in Jiangning District, Nanjing, the project occupies the ultimate resources of Jiulong Lake and Baijia Lake. Nestled within Jiulong Lake Park, it embraces lakes and gardens, offering close views of mountains and rivers. Hundreds of metres away from the hustle and bustle, yet just one step away from prosperity. As the first low-density fourth-generation Jinmao Palace in Nanjing, with the first approximately 1,400 sq.m. three-dimensional forest landscape in Jiangning, and the first museum-grade ceramic art palace gate in Jiangning, Jiangning Jinmao Palace leverages its "ten firsts" to create the ultimate product strength of "experiencing what Jiangning has never seen before".

During the Period under Review, positioned as the "Premier Residence of Jiangning", the project set a new benchmark with its standout market performance. From "being fully subscribed before the official launch" to "achieving complete success across all four launches", it won the "triple crown" in sales area, sales amount, and the number of units sold among projects with unit sizes above 180 sq.m. in Jiangning District.

JINMAO PALACE
Jinmao Palace Series

[Technological Inheritance and Classic Rebirth]

Tianjin • Tibei Jinmao Palace

As the first of its kind in Jinmao Palace series 3.0, the project is located within Expressway Heiniucheng Road and the core intersection of the two axes of Weijin Road and Binshui Road. It has a planned large-scale community of approximately 200,000 sq.m., and is a rare aircraft carrier-level improvement site within the main city during the past decade. With approximately 35,000 sq.m. of lake ecological resources, the project also adopts innovative open balcony design, upgrades and iterates its technology system comprehensively, and plans large flat-floor products of legendary lake residence, redefining the residence of Tianjin.

During the Period under Review, the sales performance of the project continued to firmly rank top 1 in the luxury home market of RMB6 million and above, accounting for more than one-fifth of the RMB6 million and above market.

Xiong'an • Xiong'an Jinmao Palace

Located in the core of the Xiong'an New Area Startup Zone, Xiong'an Jinmao Palace, as a benchmark project for the construction of "good houses" in the new area, integrates the twelve major technological systems of the Jinmao Palace series 3.0. It achieves constant temperature, humidity, and oxygen level with tranquillity indoors throughout the four seasons, creating a "breathing" healthy residence. The community features a high-end clubhouse of approximately 1,200 sq.m. and an oriental garden featuring "one park, one ring, dual axes, and eight scenic spots". Surrounded by complete educational, medical, commercial, and ecological resources, it provides an ideal living space blending technology and nature for the relocated population.

During the Period under Review, the project launched three times and achieved success each time. With its product strength leading the market overwhelmingly, it has become a demonstration model of "good houses" in the new area, winning the "quadruple crown" in terms of number of contracted units, contracted area, contracted sales amount, and collection of sales proceeds in the new home market of Xiong'an New Area in 2025.

[Technological Inheritance and Classic Rebirth]

JINMAO PALACE
Jinmao Palace Series

Changsha • Xiangjiang Jinmao Palace

Xiangjiang Jinmao Palace is a high-end collection nestled in the heart of Changsha's vibrant landscape of mountains, rivers, islets and city. Perched at the heart of the city's 3,000-year-old history, the project boasts a 10-km-long prime view of the Xiang River, offering unparalleled urban and landscape resources of Changsha. The project also marks the debut of the Palace series 3.0 in Changsha and the culmination of 16 years of advancements in high-tech luxury housing. Through its "One Core" of technology, the high-end design offers a deeply healthy and technologically advanced luxury home; through its "Five Beauties" of advancements, the high-end design offers a discreet and artistic lifestyle; through its three grand clubhouses, complemented by art and commercial amenities, the high-end design creates a private haven that excites community networking; and through its luxurious hotel-style property services, the high-end design offers exclusive, private services to the Jinmao community.

During the Period under Review, the project launched twice and sold out each time, ranking seventh in the city in terms of residential sales amount, and ranking first in sales amount in Kaifu District.

Hangzhou • Gongchen Jinmao Palace

Tracing the lineage of the Gongchen Bridge and facing the Grand Canal, the project inherits the persistent craftsmanship of the Jinmao Palace series. Gathering the essence of the four previous Palaces in Hangzhou and the cultural heritage of Gongchen, it invited top-tier master designers such as He Min, Zheng Zhong, and Ju Bin to jointly create the fifth Jinmao Palace in Hangzhou. Centring around the 12 major technological systems, the project constructs a "Five Balances and One Comfort" health system, leading the model of 3.0 high-tech residences.

During the Period under Review, the project topped the sales chart for luxury homes priced at the RMB16 million level in Hangzhou in December 2025, continuing the hot sales legend of the Palace series.

CHINA JINMAO
Jinmao Pu Series

[Simple-style Healing and Oriental Art]

Beijing • Jinmao • Puyi Fengyi

The project is located in a prime location within Beijing's South Third Ring Road. As the first Jinmao Pu series development in Beijing, Puyi Fengyi integrates 600 years of Forbidden City culture with modern architecture, and foresees the development trends of residential development in Beijing's urban renewal era. It not only crafts exquisite products but also serves as an "urban connector", creating a dual model for both urban renewal and luxury residential transformation in Beijing. It redefines the value proposition of inner-city luxury housing and marks a milestone in the evolution of residential living in Beijing's urban development.

During the Period under Review, Puyi Fengyi has always been the top choice for high-end improvement in Fengtai District, winning the champion in terms of the number of units sold for residential properties at the RMB10 million level in Fengtai in 2025, and also ranking among the top 10 in Beijing in terms of online contracted amount.

Shanghai • Jinmao • Puyuan

As the first development of the Pu series in Shanghai, Jinmao Puyuan is located in the Ruihong section within the Inner Ring Road, condensing a century of Hongkou's elegance into one "Pu". Gathering the "six firsts", Jinmao Puyuan brings a landscape of "mountains, rivers, streams, and valleys" to the inner ring of Shanghai, and further leads the inner ring with its "five comforts and 12 major technological systems". The community features supporting facilities such as three-dimensional gardens and an art gallery-grade private clubhouse, creating the only high-tech luxury residence within the inner ring with a GFA of approximately 130-240 sq.m., and bringing a pinnacle lifestyle model that seamlessly integrates an international flair, artistic sensibility, and oriental charm.

The project first launched in August. During the Period under Review, it launched three times and achieved success each time, ranking third among projects with a price of RMB130,000 and above per sq.m. in Shanghai from August to December 2025. Frequently appearing on trending search lists, it ushered in a new era of high-tech luxury residences within the inner ring of Shanghai.

[Simple-style Healing and Oriental Art]

CHINA JINMAO
Jinmao Pu Series

Xi'an • Jinmao Puyi Dongfang

Jinmao • Puyi Dongfang is located in Qujiang, a landmark area of Xi'an's contemporary development. As the second Pu series development in Xi'an, the project seamlessly integrates oriental charm, international style, and artistic sensibility, fostering a harmonious dialogue between Eastern aesthetics and international lifestyle. It incorporates the natural beauty of the Qinling Mountains into the garden, achieving a pristine Pu series ecosystem and creating a natural and high-end well-being residence for those seeking urban luxury.

During the Period under Review, the project's phenomenal debut set a new record for Xi'an's real estate market launches in 2025. At the same time, it maintained continuous hot sales, topping the sales amount chart for high-end improvement residences priced at RMB30,000 and above per sq.m. in Xi'an in 2025. It leads overwhelmingly in the high-end improvement market at the RMB10 million level, occupying an absolute leading position in Xi'an's high-end real estate market.

Changsha • Jinmao • Puyin Meixi

Located in Meixi Lake, Changsha, the project is Jinmao's first low-density Pu-series villa development in China. Embracing Yuelu Mountain and deeply rooted in the essence of Hunan culture, the project integrates eight scenic landscapes into a compact space, creating a unique landscape with each step like a picturesque scene. It offers a tranquil and soothing oriental retreat, leaving behind all the hustle and bustle of the city. The luxury low-rise residences in the north area, boasting the finest amenities, offer a relaxed and elegant lifestyle with premium design, high quality features, and a high floor efficiency ratio. In the meantime, the urban landscape villas in the south area, with their ultra-low plot ratios, embody the ultimate ideal of living, allowing residents to enjoy a tranquil haven amidst the bustling city and embrace a poetic life amidst the mountains and water.

During the Period under Review, the project ranked among the Top 10 in terms of sales amount in Changsha, and Top 1 in the Meixi Lake sector. It continued to dominate the Changsha villa market, winning the "triple crown" for the year in terms of sales amount, area, and number of units sold.

CHINA JINMAO
Jinmao Pu Series

[Simple-style Healing and Oriental Art]

Zhengzhou • Jinmao Puyi Yunhu

As China Jinmao's "first Pu in the Central Plains" in Henan region, the project is designed with Jinmao's advanced technology featuring the fourth generation of healthy and high-tech residences, creating a brand new green and healthy high-end lifestyle for owners with the product concept of returning to nature.

During the Period under Review, the project launched six times and sold out each time, topping the monthly sales chart in Zhengzhou for six consecutive months from July to December. It ranked Top 1 in the annual sales performance chart of Zhengzhou and was recognised as the benchmark value property of Zhengzhou in 2025.

Comfort and Abundance, High Aesthetics and High Customisation

CHINA JINMAO
Jinmao Man Series

Beijing • Jinmao Manyao

The project is located in the heart of the three major CBDs in Chaoyang District, Beijing, namely Guomao, Wangjing, and Tongzhou Canal. As the first flagship project of China Jinmao's Man series in Beijing, it seamlessly integrates Jinmao 3.0 technology with an artistic lifestyle, creating a new generation of artistic luxury homes. The project is equipped with Jinmao 3.0 technological systems, 2,000-sq.m. art club and clubhouse, a landscape system comprising four major "collector's gardens" and luxury-grade refined decoration configurations, creating an urban landscape garden with a strong artistic ambiance. Showcasing sophisticated, technologically advanced luxury residences, the project leads the "good houses" portfolio in Chaoyang.

During the Period under Review, the project has repeatedly ranked Top 1 in Chaoyang District since its launch in terms of the number of online contracted units, area sold, and sales amount, becoming a phenomenal top-tier hot project in Chaoyang District.

Chengdu • Yuexiu Jinmao Tianlumanyuan

It is the first project of the "Man" series built by China Jinmao in Chengdu. Relying on the concept of "modest satisfaction surpasses absolute perfection upon a joyful return", and centring around the keywords of "family values, sense of relaxation, and vitality", the project leverages the five major product genes of public building-like facades, artistic landscapes, scenario-based interiors, garden-like balconies, and all-age supporting facilities. It creates garden mansions and sky courtyards for those who value self-fulfillment, and with family equality as the core, it is committed to realising the life philosophy of "delighting oneself and the family".

During the Period under Review, the project ranked Top 1 in performance in the market for 180-200 sq.m. large residences in Greater West Chengdu (Wuhou, Qingyang, and Jinniu Districts), becoming a benchmark for high-end projects in West Chengdu, and its sky courtyards have become a must-see for high-end customers in West Chengdu.

CHINA JINMAO
Jinmao Man Series

Comfort and Abundance, High Aesthetics and High Customisation

Nanjing • Yueman Yunchuan

Based in the intersection core of the "three centres and one belt" in Jiangning, the project is China Jinmao's first "Man" series fourth-generation luxury residence in Nanjing, creating the "Man" value system of "one trend, five fulfillments, three sports, two supporting facilities, and four services". The project pioneers a rain-free homecoming experience and a tournament-grade sports clubhouse in Jiangning, and is equipped with an ultra-large-scale prestigious visitor clubhouse. Having the largest stilt floor space with the most diverse scenes in Jiangning, the city's first "City in the Sky" commercial complex is created by drawing on the lifestyle philosophy of Tai Koo in Hong Kong, boasting a 20,000 sq.m. three-dimensional lifestyle gathering place.

During the Period under Review, Yueman Yunchuan was first launched in December 2025. With the theme of "Art + Sports", it achieved a price premium over competing products and recorded hot sales against the trend, ranking Top 1 in terms of the number of online contracted units for first-launch projects in Nanjing in December 2025.

Tianjin • Jinmao Panhu Manting

Jinmao Panhu Manting, the first Jinmao "Man" series development in Tianjin, is located on the site of the former Tiangong University in Hedong. Breaking the boundaries of traditional high-end residential design with its subversive artistic DNA and nestled along the approximately 35,000 sq.m. Panhu Park, the project features a complex art club of approximately 2,100 sq.m. Driven by a dual approach of art and product, the project establishes a new paradigm for residential living that combines natural resources, artistic aesthetics, and social value.

During the Period under Review, the project was first launched in June. With a sales cycle of only six months, it has achieved a strong third place in Tianjin's new home contracted amount for the year, demonstrating its undeniable popularity.

CHINA JINMAO
Jinmao Tang Series

[Age-friendly and Enjoyable Life]

Shanghai • Jinmao Tangqian

The project, located in the Yanghang section of Baoshan District, Shanghai, sits within the core of the TOD5.0 Baoshan Station-City Integration Zone. Being Jinmao's first development of Tang series in Shanghai, and embracing the concept of a "pioneering artistic living community", the project integrates high-end architecture, landscape, and art to create a panoramic, artistically designed residential environment. The community features a custom-designed swimming pool clubhouse, a sunken courtyard, a three-stage homecoming ritual, and a Tang-themed resort garden, creating a stylish and artistic residence.

During the Period under Review, the project consecutively won the "triple crown" in sales in Baoshan District from May to December 2025, and ranked Top 2 in the entire city in terms of the number of units sold.

Chengdu • Dongcheng Jinmao Xiaotang

Taking the Dongcheng PARK5747 mega-city as its super foundation, the project is crafted as the first masterpiece under the new standards of China Jinmao's "Tang series" in Chengdu, focusing on the needs of growing families. While Phase I crafts a super perfect home through the five key dimensions of "noble prosperity, exquisite aesthetics, all-age accessibility, exceptional space, and generous storage, Phase II crafts an ace space through the five key dimensions of "mega-city activation, exquisite aesthetics, all-age accessibility, ace space, and Tang Owner CLUB". It innovates the sense of happiness in Chengdu and reconstructs the beauty and fulfillment of home.

During the Period under Review, the project launched 14 times and sold out 14 times. It ranked Top 1 in the entire Chengdu in terms of number of units sold, Top 1 in the entire Chengdu in terms of sales area, and Top 1 in East Chengdu in terms of transaction amount. The project won multiple media awards including the "2025 Chengdu Super Single Project Award", which further enhanced the influence and appeal of the Jinmao brand in Chengdu.

CHINA JINMAO
Jinmao Tang Series

[Age-friendly and Enjoyable Life]

Nanjing • Dongshan Jinmao Xiaotang

The project is located within the 1.5th ring road of Nanjing, and adjacent to the core area of Dongshan. It features eight exquisite low-rise buildings, a rare sight in the area. Offering exceptional value for money, it pioneers a new trend in affordable housing for those in Nanjing.

During the Period under Review, the project ranked Top 1 in Nanjing in terms of number of units sold. By achieving a compelling combination of quality and value, and ensuring equal space, it has become the city's most attractive entry-level property.

Tianjin • Shangdong Jinmao Xiaotang & Jintang

Shangdong Jinmao Xiaotang is the first of its kind in China Jinmao's Tang series product line of "Jin Yu Man Tang", adhering to Jinmao's product aesthetics and as an aesthetically matched community created for urban upstarts.

Shangdong Jinmao Jintang is another masterpiece of the "Tang series" in Tianjin following Jinmao Xiaotang. Jinmao Jintang presents three major upgraded standards. The all-mansion community is low-density; featuring a fully open ground floor pan-clubhouse, its luxurious and comfortable space defines a high-end lifestyle venue. Through this 4.0 pure mansion masterpiece, the project builds a new generation Tang series benchmark community for the middle class in Tianjin.

During the Period under Review, the dual projects of Shangdong Jinmao Xiaotang & Jintang were launched together, ranking Top 1 in Tianjin for the year 2025 in terms of sales amount, number of units sold, and sales area. Furthermore, from July 2025 onwards, the projects consecutively maintained the "triple crown" for six months, with their product strength and delivery capability highly recognised.

Property Investments

THE SPLENDOR
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Property Investments

General Overview

The Group is committed to operating landmark property investment projects in prime locations of core cities. The major property investment projects cover 13 retail commercial centres and office buildings.

The Group owns shopping centre brands represented by "Mall of Splendor", "Jinmao Place", and "J•LIFE", as well as landmark office buildings such as Shanghai Jin Mao Tower.

During the Period under Review, the Group's major property investment projects broke through against the trend amidst industry pressure, with rents and occupancy rates remaining at the forefront of the industry.

Commercial Leasing

Occupancy rate of major office buildings

	Beijing Chemsunny World Trade Centre	Xicheng Jinmao Centre	Jin Mao Tower – office portion
2025	93.3%	93.3%	76.0%
2024	96.8%	94.0%	83.5%

Beijing Chemsunny World Trade Centre

Beijing Chemsunny World Trade Centre which is situated on Fuxingmen Nei Avenue within the financial district of Beijing, is adjacent to West Chang'an Avenue and opposite to Financial Street. It is the first premium office building in China being granted China Three-Star Green Label and USGBC's LEED-EB platinum certification at the same time.

Xicheng Jinmao Centre

Xicheng Jinmao Centre which is situated at the heart of Beijing on Fuxingmen Wai Avenue, Xicheng District, the prime location of the business circle of Financial Street and less than 50 metres away from the subway station of the Beijing Subway Line One, is an office building supported by sophisticated office facilities and personalised services.

Shanghai Jin Mao Tower

Shanghai Jin Mao Tower which is situated at the Lujiazui Finance and Trade Zone of Pudong, Shanghai, is one of China's landmark buildings. The 420.5-metre-high 88-storey tower represents a perfect combination of China's traditional architectural techniques and the world's state-of-the-art technology. Its superior landmark effects make the tower one of the first choices as place of business in Shanghai for prestigious domestic and foreign corporations.

Management Discussion and Analysis • Business Review

Property Investments

Retail Operations

Nanjing Jinmao Mall of Splendor

Nanjing Jinmao Mall of Splendor is located in the Central Road business district in the main city region of Nanjing, with Xuanwu Lake to the east and Hunan Road business district to the west, occupying a prominent geographical location with strong ability to attract people by the Xuanwu Lake subway station. Since recommencement of business in 2021, it has become one of the young and energetic new quality shopping malls in the main city region of Nanjing.

During the Period under Review, Nanjing Jinmao Mall of Splendor adhered to its positioning as a "youth energy hub", and continued to exert efforts in brand recruitment and adjustment, event organisation, and media promotion, with the proportion of young customers reaching 42%. Throughout the year, 98 brands were recruited and adjusted, including 18 first-store brands in Nanjing and the region, which greatly enhanced the product strength of the project. Meanwhile, it launched activities such as the "Flower Life Festival 4.0", "Super Interesting 4th Anniversary Celebration", "I Love Nanjing Music Festival", and "Wonderful New Year's Eve", effectively boosting the annual customer flow and winning the "Youth Commercial Potential Landmark Award" issued by GOGO Media. By taking the upgrading of product strength as the foundation, the enhancement of event appeal as the guiding principle, and the empowerment of operational capabilities as the key focus, the project has built a continuously steady operational pattern.

Changsha Jinmao Mall of Splendor

Changsha Jinmao Mall of Splendor is the first Mall of Splendor under China Jinmao, which is located in the core region of Meixi Lake, facing an excellent view of Meixi Lake, with Meixi Lake International Culture and Arts Centre to the east, and is seamlessly connected with the Changsha Metro Line No. 2. Since its opening, the project focused on the customer groups of young families and young people in Changsha, collected a variety of famous domestic brands, and presented the innovative and proprietary hotel and retail business forms of Jinmao. It became a gathering place for pioneer experience-based, leisure-based and social-based business lifestyles in central China. In March 2024, CAMC-Jinmao Commercial Property REIT, with Changsha Jinmao Mall of Splendor as its underlying asset, was officially listed on the Shanghai Stock Exchange, becoming one of the first consumption infrastructure public REITs listed in China.

During the Period under Review, Changsha Jinmao Mall of Splendor took the upgrading of product strength and the increase of rental income as the targets of its leasing work. It won the honour of the 2025 "Mall China Shopping Centre Industry – City Promotion Excellence List". The occupancy rate remained at a high level, and the project continued to advance with high quality, empowering the development of urban consumption. The share price of Changsha Jinmao Mall of Splendor REIT rose by nearly 40%, gaining recognition from the capital market.

Qingdao Jinmao Mall of Splendor

Qingdao Jinmao Mall of Splendor is located in the Hi-Tech Industry Development Zone along the north coast of Jiaozhou Bay in Qingdao, which is the core zone of the north coast city area of Qingdao. The project is positioned as the "life exploration centre of future city" with new middle-class families as its core customer group. In the future, the project will cooperate with businesses along the China-Europe's dynamic axis to jointly create an ecological commercial centre integrating ecological leisure and exploration experience, gathering consumption, focusing on experience, and emphasising on innovation. The project is set to help the region transform from a new city area on the north coast of Qingdao into a main city area.

During the Period under Review, centring around the annual theme of "Exploring all the city has to offer, showcasing unprecedented lifestyles", Qingdao Jinmao Mall of Splendor continuously promoted brand renewal and experience upgrades. In 2025, it successfully introduced diversified and high-quality brands, renewing over 100 brands throughout the year. It optimised merchant operation services and customer consumption experiences, and formulated multiple sales promotion (SP) activities that were mutually beneficial to both merchants and customers. Furthermore, taking its 3rd anniversary as an opportunity to deeply integrate with the New Year's Eve, it joined hands with popular IPs, Eastern Eden, and Renaissance Qingdao Hotel to create a large-scale New Year's Eve gala. It set a new record with a single-day customer flow exceeding 100,000, becoming a memorable landmark with the strongest sense of ceremony for Qingdao residents to celebrate the New Year. Qingdao Jinmao Mall of Splendor will continue to present new scenes of a beautiful urban life with innovation and warmth.

Zhangjiagang Mall of Splendor

Zhangjiagang Mall of Splendor is located next to the lake of Shazhou, Zhangjiagang with a total area of approximately 200,000 sq.m. Grandly opened in December 2022 and with the theme of "relaxing life at city centre", the project is set to lead the upgrading of consumer life in Zhangjiagang, creating a cheer-up station, a social gathering place and an entertainment energy field for the locals, as well as a new landmark of quality business in the harbour city.

During the Period under Review, as a leader of quality urban life, Zhangjiagang Jinmao Mall of Splendor took "Surging trends at Mall of Splendor" as its theme in 2025, achieving breakthrough development in the dual tracks of brand upgrading and experience innovation. Throughout the year, it introduced over 20 first-in-Zhangjiagang brands and renewed 61 brands, significantly enhancing the commercial capacity and differentiated competitiveness of the project. It comprehensively innovated its marketing by creating a chain of marketing events throughout the year, achieving dual success in both topic popularity and sales conversion. It actively explored the new "sports+" consumption model by collaborating with municipal departments and cross-industry partners to hold over 20 commercial district sports events during the year, effectively expanding its reach among young customer groups. The 3rd anniversary celebration at the end of the year even became a city-level event. By creating the "New Year's Eve Luminous Market" and gathering over 70 popular brands, the single-day customer flow of 150,000 on 31 December set a new record for the project, strongly consolidating its absolute influence as the "first-choice destination for New Year's Eve in the harbour city".

Hotel Operations

RENAISSANCE
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BEIJING WANGFUJING HOTEL

Management Discussion and Analysis • Business Review

Hotel Operations

General Overview

The hotel operations focus on boutique, characteristic, and high-end hotels, with a city layout covering multiple cities such as Beijing, Shanghai, Shenzhen, Lijiang, and Nanjing. It is committed to fully leveraging the improvement of asset operating quality to drive the continuous rise in asset value, and owns hotel brands represented by "Jinmao Purelax", "Jinmao Yinyi", and "Jinmao Jiayue".

During the Period under Review, the Company adhered to the strategy of laying equal emphasis on both additional and existing assets, comprehensively solidifying its operational foundation. It made comprehensive efforts in the additional projects to expand its business footprint. The two newly opened Jiayue series hotels set an industry paradigm with their excellent light-asset management output capabilities. In terms of existing projects, it broke through against the trend amidst industry pressure. The performance of the Company's hotel operations continued to outperform its competitive set.

Average room rate, average occupancy rate and average revenue per available room (RMB) of each major hotel for 2025

	Average room rate	Average occupancy rate	Average revenue per available room
Grand Hyatt Shanghai	1,323	88.5%	1,171
JW Marriott Hotel Shenzhen	1,140	87.3%	995
Westin Nanjing	744	82.5%	613
Renaissance Beijing Wangfujing Hotel	1,280	86.9%	1,113
Meixi Lake Hotel, A Luxury Collection Hotel, Changsha	628	72.3%	454

Average room rate, average occupancy rate and average revenue per available room (RMB) of each major hotel for 2024

	Average room rate	Average occupancy rate	Average revenue per available room
Grand Hyatt Shanghai	1,283	84.8%	1,087
JW Marriott Hotel Shenzhen	1,103	84.8%	935
Westin Nanjing	766	83.0%	636
Renaissance Beijing Wangfujing Hotel	1,313	86.7%	1,138
Meixi Lake Hotel, A Luxury Collection Hotel, Changsha	701	71.6%	501

Note: The Ritz-Carlton Sanya Yalong Bay was sold in December 2025.

Information of Projects

Grand Hyatt Shanghai

Grand Hyatt Shanghai is located in the core area of Pudong Financial and Trade Zone, standing proudly on top of the famous Jin Mao Tower and within easy reach of Puxi across the river. This 88-storey obelisk-shaped building stands in the centre of Shanghai, boasting stunning views of the Bund and the bright cityscape of Shanghai. The hotel rooms are elegant and spacious, integrating Western decorative art style and traditional Chinese classical cultural features, and equipped with modern conveniences to create a comfortable and convenient stay experience and unique dining and entertainment experiences for guests.

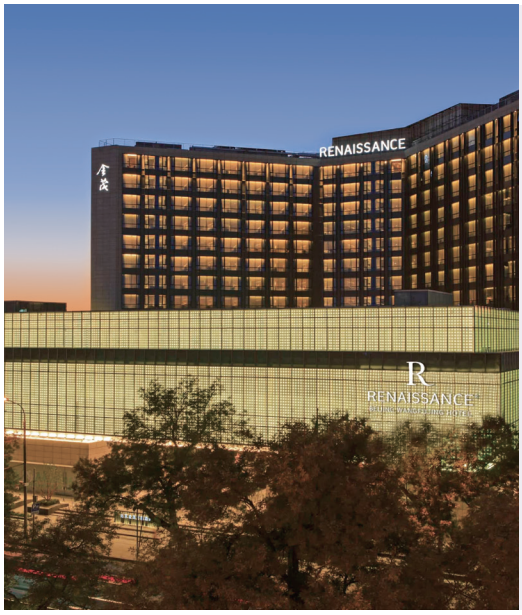
JW Marriott Hotel Shenzhen

JW Marriott Hotel Shenzhen is located in the Futian Central Business District of Shenzhen, which is close to Futian Port, major tourist attractions and major shopping malls. It is only a 25-minute drive from Shenzhen Bao'an International Airport and a 200-metre walk to the Exit J1 of Chegongmiao metro station, providing convenient access to transportation. The hotel rooms are modernly decorated and equipped with complete facilities. Chinese and Western restaurants, lounges, banquets and other facilities are also available, making the hotel the first choice for business and leisure guests.

Information of Projects

Westin Nanjing

Westin Nanjing is located in the core area of Nanjing's Central Avenue, just across the street from Xuanwu Lake, also known as" Jinling Pearl", an ancient Chinese royal garden lake and Nanjing's landmark tourist destination. Being an ideal choice for business and leisure guests, the hotel is adjacent to the thousand-year-old Jiming Temple and the city wall built in the Ming Dynasty. It is directly connected to a Line 1 subway station and the commercial complex of Jinmao Mall of Splendor. The hotel has more than 200 guest rooms, each of which has a panoramic view of the romantic cityscape and the beautiful Xuanwu Lake, plus nearly 1,000 sq.m. of conference and banquet space to meet various needs of guests for banquets, wedding banquets, conferences and more. Restaurants serving Chinese and Western cuisine as well as a lobby bar serve a wide variety of nutritious and delicious healthy food, allowing guests to enjoy a taste bud journey. Meanwhile, the Westin fitness centre allows guests to relax and rejuvenate.



Renaissance Beijing Wangfujing Hotel

Renaissance Beijing Wangfujing Hotel is situated at Wangfujing Avenue and adjacent to Tian'anmen Square and Palace Museum. Its predecessor is Wangfujing Grand Hotel opened in 1995. The hotel adopts a unique dual-wing architecture design with an endless stream of spectacular palaces from the Ancient Wall of the Imperial City and The Forbidden City to the west and the modernised international metropolitan clusters in the CBD of Wangfujing to the east, blending the modern and classic into one. The guest rooms blend stylish modern and cozy elegant tones, offering stunning views of the Forbidden City. The nearly 1,000 sq.m. banquet hall is one of the best in the Wangfujing area. There are also two restaurants and one lobby bar to meet the diverse dining needs of guests. Additionally, the hotel is equipped with an indoor swimming pool and fitness centre, thoughtfully creating a healthy lifestyle for guests.

Information of Projects

Meixi Lake Hotel, A Luxury Collection Hotel, Changsha

Meixi Lake Hotel, A Luxury Collection Hotel, Changsha is located at the prime location in the Xiangjiang New District, Hunan and adjacent to Meixi Lake International Culture & Art Centre, a masterpiece by the legendary architect Zaha Hadid. Taking the design of "exploring the peach garden" and blending the essence of Huxiang culture, the hotel features guest rooms with expansive views and distinctive local charm, offering sweeping sights of the shimmering Meixi Lake and the rolling landscapes of Yuelu Mountain. It promotes unique experiences rich in local characteristics, and leads travellers from all over the world to embark on the journey of exploring the peach garden.

Services and Technology

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Management Discussion and Analysis • Business Review

Jinmao Services

General Overview

Jinmao Services adhered to the customer-oriented principle with the provision of excellent scenario design capabilities and stable quality output capabilities. Through the Internet of Everything management equipment and mobile Internet management services, Jinmao Services deeply promoted the digital transformation of enterprises, and continuously improved the management service efficiency and user experience. At the same time, Jinmao Services actively strengthened the community ecosystem, expanded city services, led the sustainable development concept of low-carbon, environmental protection and green, assumed social responsibilities with services, enhanced people's happiness, and grew and prospered together with communities, cities, environment, and the society.

Introduction of Business Segments

Property management services

During the Period under Review, the property management services of Jinmao Services adhered to steady development, achieving steady growth in GFA under management. Focusing on diversified property portfolios in tier-1, new tier-1, and tier-2 cities, the advantages in the high-end commercial and office sectors became prominent.

Value-added services to non-property owners

During the Period under Review, Jinmao Services standardised its service models from dimensions such as organisational teams, service processes, and product standards, continuously elevating the level of value-added services to non-property owners.

Community value-added services

During the Period under Review, Jinmao Services continued to refine its community value-added service teams, constantly optimised its service products, and established a standardised service system.

Performance Highlights

Management Discussion and Analysis • Business Review

Building Technology

General Overview

China Jinmao focused on building technology, striving to cultivate "unicorn" businesses in technological innovation, strengthening a technical moat for its main business, and consolidating its differentiated competitive advantages.

During the Period under Review, focusing on green, energy-saving, smart, comfortable and healthy "good houses", China Jinmao continued to consolidate the one-stop full-process service model from design consultation to operational management such as the technological living system and vibration and noise reduction, driving the continuous upgrade of its "technology" hard core IP. As for the smart energy segment, China Jinmao focused on comprehensive energy services and green big data centre business, striving to improve operating efficiency and continuing to improve social environmental benefits, thus contributing to the goals of "carbon peaking" and "carbon neutrality".

Introduction of Business Segments

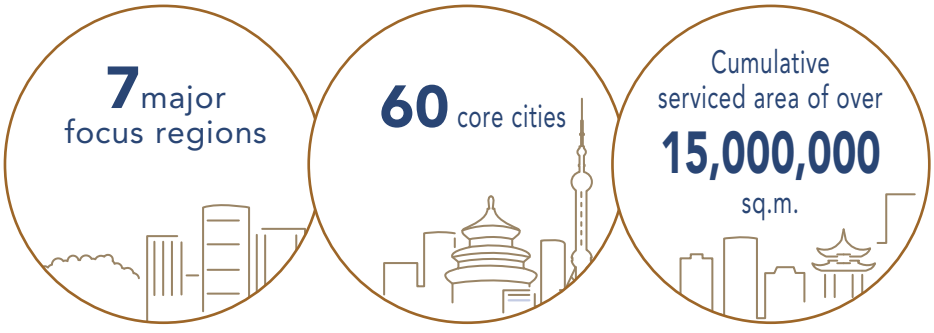
Technological living system

Positioned as a leading comprehensive service provider of technological living system in China, it adheres to a customer-centric approach, continuously iterates and upgrades through R&D and innovation, and builds a high "technological moat" for its main business, creating more comfortable and healthier "good houses" for China Jinmao.

Smart energy

Positioned as a digitally and intelligently driven service provider of full-lifecycle energy-saving and carbon-reduction solutions, it focuses on industry pain points and user needs, and leverages on the Company's advantages in technology, products, and experience, continuously enhancing social and environmental benefits.

Performance Highlights



Management Discussion and Analysis • Financial Review

REVIEW ON OVERALL RESULTS

For the year ended 31 December 2025, profit attributable to owners of the parent amounted to RMB1,253.2 million, representing an increase of 18% compared with RMB1,064.8 million in last year. Profit attributable to owners of the parent less fair value losses on investment properties (net of deferred tax) amounted to RMB1,362.7 million, representing an increase of 2% compared with RMB1,332.8 million in last year.

Basic earnings per share, gross profit margin (by business segment) and net debt-to-adjusted capital ratio are selected by the Group as the indicators of assessment on the profitability and solvency of the Group. The analysis of these indicators can comprehensively summarise and evaluate the financial conditions and operating achievements of the Group, and effectively evaluate the management's governance level and whether the goal of maximising shareholders' interests is achieved.

REVENUE

For the year ended 31 December 2025, the revenue of the Group was RMB59,371.3 million, representing an increase of 1% compared with RMB59,053.0 million in last year.

Revenue by business segments

	For the year ended 31 December				
	2025		2024		
	RMB million	Percentage of the total revenue (%)	RMB million	Percentage of the total revenue (%)	Year-on-year change (%)
Property development	**49,475.9**	**80**	49,301.8	82	0
Property investments	**1,672.1**	**3**	1,697.3	3	-1
Hotel operations	**1,620.2**	**3**	1,698.6	3	-5
Jinmao Services	**3,667.8**	**6**	2,966.0	5	24
Others	**5,419.9**	**8**	4,708.8	7	15
Total	**61,855.9**	**100**	60,372.5	100	2
Among which:					
Intersegment sales	**2,484.6**	**4**	1,319.5	2	88
Sales to external customers	**59,371.3**	**96**	59,053.0	98	1

In 2025, revenue from property development of the Group was approximately RMB49,475.9 million and accounted for 80% of the total revenue, which was basically the same as that of last year. Revenue from property investments decreased by 1% as compared with that of last year to approximately RMB1,672.1 million and accounted for 3% of the total revenue, which was mainly attributable to the fact that the revenue from Changsha Jinmao Mall of Splendor was no longer included in the financial statements of China Jinmao since it became the underlying asset of CAMC-Jinmao Commercial REIT during last year. Revenue from hotel operations decreased by 5% from last year to approximately RMB1,620.2 million and accounted for 3% of the total revenue, which was mainly attributable to the disposal of Hilton Sanya in the second half of 2024. Revenue from Jinmao Services grew by 24% from last year to approximately RMB3,667.8 million and accounted for 6% of the total revenue, which was mainly due to the increase in the area under management of basic property management. Revenue from others (primarily including the property-related revenues arising from the observation deck on the 88th floor of Jin Mao Tower, green buildings technology and building decoration) accounted for 8% of the total revenue, representing an increase of 15% over that of last year, which was mainly due to the increase in revenue from green buildings technology. Details are set out in note 4 and note 5 to the financial statements.

COST OF SALES AND GROSS PROFIT MARGIN

Cost of sales of the Group for the year ended 31 December 2025 was approximately RMB50,150.0 million (2024: RMB50,456.1 million). The overall gross profit margin of the Group in 2025 was 16%, up by 1 percentage point from 15% of last year, mainly attributable to the increase in gross profit margin for property development.

During the Year, the gross profit margin for property development increased by 2 percentage points, which was mainly due to higher gross profits from the projects that recognized revenue in cities such as Shanghai, Beijing, and Xi'an during the Year. The gross profit margins for property investments and hotel operations remained largely flat year-on-year. The decrease in the gross profit margin of Jinmao Services was mainly due to the decrease in the proportion of revenue of value-added services to non-property owners and community value-added service. The gross profit margin for others decreased as compared with that of last year, mainly attributable to the decrease in gross profit margin of building decoration.

Gross profit margin by business segments

	For the year ended 31 December	
	2025 Gross profit margin (%)	2024 Gross profit margin (%)
Overall	**16**	15
Property development	**13**	11
Property investments	**82**	81
Hotel operations	**35**	36
Jinmao Services	**20**	24
Others	**9**	17

OTHER INCOME AND GAINS

Other income and gains of the Group for the year ended 31 December 2025 amounted to RMB3,852.3 million, representing a decrease of 11% from RMB4,306.8 million in last year, mainly due to the decrease in interest income. Details are set out in note 5 to the financial statements.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses of the Group for the year ended 31 December 2025 decreased by 4% to RMB2,189.1 million from RMB2,287.5 million in last year, mainly due to the decrease in advertising expenses during the Year as compared with last year. Selling and marketing expenses comprise primarily the advertising expenses, commissions paid to relevant sales agencies, staff costs and other expenses in relation to market promotion incurred in the Group's daily operations. Selling and marketing expenses accounted for 4% (2024: 4%) of the Group's total revenue.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group for the year ended 31 December 2025 amounted to RMB2,535.2 million, representing a decrease of 13% from RMB2,917.0 million in last year, mainly attributable to the decrease in employee expenses and general office expenses as compared with last year. Administrative expenses mainly comprise staff costs, consulting fees, entertainment expenses, general office expenses and property depreciation expenses. Administrative expenses accounted for 4% (2024: 5%) of the Group's total revenue.

OTHER EXPENSES AND LOSSES, NET

Other expenses and losses, net of the Group for the year ended 31 December 2025 amounted to RMB1,458.2 million, representing a decrease of 28% from RMB2,033.9 million in last year, mainly attributable to the decrease in the amount of the impairment provision for properties under development and properties held for sale of the Group as compared with last year.

On 31 December 2025, the Group reviewed the market conditions of the properties under development and properties held for sale of the Group and its associates and joint ventures as of that date. The Group estimated the net realisable value of properties under development and properties held for sale by mainly taking into account the latest selling prices and prevailing market conditions, estimated development costs to be incurred by the time of completion and necessary selling expenses and related taxes estimated to be incurred in the process of sales. Provision for impairment is made for properties under development and properties held for sale whose net realisable value is lower than the cost. In 2025, the Group recognised a total of RMB611.6 million in impairment losses on properties under development and properties held for sale. Details are set out in note 7 to the financial statements.

FINANCE COSTS

Total interest expense of the Group for the year ended 31 December 2025 was RMB6,397.1 million, representing a decrease of 7% from RMB6,882.8 million in last year, mainly attributable to the decrease in loan interest rates during the Year. Among them, the interest expense capitalised amounted to RMB4,105.9 million, representing a decrease of 6% from RMB4,348.3 million in last year; finance costs of the Group amounted to RMB2,291.1 million, representing a decrease of 10% from RMB2,534.5 million in last year.

INCOME TAX EXPENSE

The Group had an income tax expense of approximately RMB2,779.5 million for the year ended 31 December 2025, representing an increase of 24% from approximately RMB2,238.3 million in last year, primarily attributable to the increase in PRC land appreciation tax and PRC corporate income tax for the Year. The Group's effective income tax rate for 2025 was 56% (2024: 50%).

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the year ended 31 December 2025, profit for the Year of the Company amounted to RMB2,188.1 million, which was basically the same as RMB2,199.7 million in last year. For the year ended 31 December 2025, excluding the effects of provision for impairment on assets such as properties under development and properties held for sale, etc. (including properties under development and properties held for sale of projects of associates and joint ventures) of RMB1,838.6 million, the profit for the Year of the Company was RMB4,026.7 million. For the year ended 31 December 2025, profit attributable to owners of the parent amounted to RMB1,253.2 million, representing an increase of 18% compared with RMB1,064.8 million in last year, and profit attributable to owners of the parent excluding fair value losses on investment properties (net of deferred tax) was RMB1,362.7 million, representing an increase of 2% compared with RMB1,332.8 million in last year.

Basic earnings per share for the Year were RMB4.38 cents, representing a decrease of 16% compared with RMB5.19 cents in last year. Details are set out in note 13 to the financial statements. Basic earnings per share excluding fair value losses on investment properties, net of deferred tax, were RMB5.19 cents (2024: RMB7.18 cents).

Comparison of profit attributable to owners of the parent before and after fair value losses on investment properties, net of deferred tax

	For the year ended 31 December		Year-on-year change
	2025 (RMB million)	2024 (RMB million)	(%)
Profit attributable to owners of the parent	**1,253.2**	1,064.8	18
Less: fair value losses on investment properties (net of deferred tax)	**-109.5**	-268.0	59
Profit attributable to owners of the parent excluding fair value losses on investment properties (net of deferred tax)	**1,362.7**	1,322.8	2
Basic earnings per share (RMB cents)	**4.38**	5.19	-16
Basic earnings per share excluding fair value losses on investment properties (net of deferred tax) (RMB cents)	**5.19**	7.18	-28

INVESTMENT PROPERTIES

As at 31 December 2025, investment properties mainly comprised the Central and West Towers and some floors of the East Tower of Beijing Chemsunny World Trade Centre, offices and retail operations of Jin Mao Tower (for lease), office portion of Xicheng Jinmao Centre, office portion of Nanjing Xuanwu Lake Jinmao Plaza and Nanjing Jinmao Mall of Splendor, Qingdao Jinmao Harbour Shopping Mall, Zhangjiagang Mall of Splendor, Qingdao Jinmao Mall of Splendor, Tianjin Jinmao Place, Changsha Jinmao Plaza North Tower, Chongqing Longyueli, Hangzhou Qinwang Water Street, etc. Investment properties increased from RMB36,482.0 million as at 31 December 2024 to RMB39,319.4 million as at 31 December 2025, which was mainly due to the addition of investment properties such as Changsha Jinmao Plaza North Tower, Chongqing Longyueli, and Hangzhou Qinwang Water Street. Details are set out in note 18 to the financial statements.

PROPERTIES UNDER DEVELOPMENT

As at 31 December 2025, the current portion of properties under development comprised property development costs incurred by properties under development which have been pre-sold or are intended for sale and expected to be completed within one year from the end of the Reporting Period, whereas the non-current portion of properties under development comprised property development costs incurred by properties under development which have not yet been pre-sold and are expected to be completed after one year from the end of the Reporting Period.

As at 31 December 2025, properties under development (current and non-current) amounted to approximately RMB136,452.1 million, which increased by 25% compared to RMB109,450.5 million as at 31 December 2024.

INVESTMENTS IN JOINT VENTURES

The investments in joint ventures decreased from approximately RMB30,483.7 million as at 31 December 2024 to approximately RMB29,284.0 million as at 31 December 2025, mainly attributable to dividend distributions by some joint ventures during the Period under Review.

INVESTMENTS IN ASSOCIATES

The investments in associates increased from approximately RMB23,239.6 million as at 31 December 2024 to approximately RMB26,654.1 million as at 31 December 2025, mainly due to the increase in capital investments in associates and the increase in share of profits of associates during the Period under Review.

LOANS TO ASSOCIATES AND JOINT VENTURES

The Group from time to time provides shareholder loans to its joint ventures and associates, which are project companies established by the Group to participate in specific property development projects. These loans are provided by the Group to the relevant joint ventures/associates in proportion to its shareholding and will be used in the development of real estate projects. Provision of shareholder's loan can effectively relieve the financial pressure of the joint ventures/associates and is beneficial for them to carry out real estate development. The Group is entitled to share the distribution and returns generated from the investments in these joint ventures/associates on a pro rata basis, and the provision of shareholder's loans will ultimately benefit the Group as an investor in these companies.

Given that the Company participates in or sends personnel to participate in the business decision-making and daily operation and management of each of its associates and joint ventures, the Company can continuously monitor the business status of these companies. The finance capital department of the Company also monitors the repayment status of the borrowing joint ventures and associates and their financial position on an ongoing basis.

As at 31 December 2025, the balance of the Group's loans receivable from associates and joint ventures, net of impairment allowances, was RMB25,814.8 million (31 December 2024: RMB24,292.2 million).

Further details of the Group's loans to associates and joint ventures are included in note 28 to the financial statements.

LOANS FROM NON-WHOLLY OWNED SUBSIDIARIES TO THEIR SHAREHOLDERS

From time to time, non-wholly owned subsidiaries of the Company provide unsecured loans to the Group and their respective non-controlling shareholders. The loans can only be provided when the relevant non-wholly owned subsidiaries have idle funds in the ordinary course of business, and the non-wholly owned subsidiaries shall determine the specific amount based on the shareholding of each shareholder. The terms and conditions of the loans to be complied with by each shareholder are substantially the same. The provision of loans by non-wholly owned subsidiaries to their shareholders can promote the reasonable allocation of resources, accelerate the turnover of funds, improve the funds utilisation rate and reduce the level of idle funds.

Given that the Company controls the business decision-making and daily operation and management of each of its non-wholly owned subsidiaries, the Company can continuously monitor the business status of these subsidiaries. The finance capital department of the Company also monitors the repayment status of the borrowing non-controlling shareholders and their financial position on an ongoing basis to ensure that they have sufficient ability to meet their repayment obligations.

As at 31 December 2025, the Group's loan balance due from non-controlling shareholders of the non-wholly owned subsidiaries was RMB29,807.4 million (31 December 2024: RMB21,065.8 million).

The Group has fulfilled the relevant compliance and disclosure obligations in respect of the loans which constituted notifiable transactions and/or non-fully exempt connected transactions of the Company during the Year. For further details of the Group's loans to non-controlling shareholders of the non-wholly owned subsidiaries, please see "Report of the Directors – I. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirement and Material Acquisitions, Disposal and Other Discloseable Transactions" and note 26 and note 31 to the financial statements.

PROPERTIES HELD FOR SALE

The properties held for sale decreased from RMB39,250.4 million as at 31 December 2024 to RMB37,039.3 million as at 31 December 2025, mainly due to the destocking of projects such as Shaoxing Jiyang Palace.

LAND UNDER DEVELOPMENT

Land under development mainly included the land costs incurred by Langfang Longhe New City Project and Nanjing Qinglong Mountain International Ecological New City Project.

The land under development (current and non-current) decreased from RMB27,942.0 million as at 31 December 2024 to RMB27,836.7 million as at 31 December 2025, mainly due to the transfer upon the completion of land transaction and revenue recognition.

TRADE RECEIVABLES

As at 31 December 2025, trade receivables (current and non-current) amounted to RMB4,955.5 million, representing an increase of 3% compared with RMB4,798.2 million as at 31 December 2024, which was mainly due to the increase in trade receivables as a result of growth in business scale of Jinmao Services and the increase in trade receivables measured at fair value through profit or loss. Details are set out in note 25 to the financial statements.

OTHER FINANCIAL ASSETS

As at 31 December 2025, other financial assets (current and non-current) amounted to approximately RMB5,516.7 million, representing a decrease of 3% compared with approximately RMB5,685.1 million as at 31 December 2024, which was mainly due to the investment cost recovery and impairment assessment of Changsha Meixi Lake Primary Development Project Phase II. Details are set out in note 29 to the financial statements.

GOODWILL

As at 31 December 2025, goodwill of approximately RMB479.9 million (31 December 2024: RMB479.9 million) arose from the acquisition of equity interests in Beijing Capital Services by Jinmao Services (stock code: 00816) in 2022 and the acquisition of equity interests in Beijing Runwu Jiaye Enterprise Management Co., Ltd. and its subsidiaries in the first half of 2024.

TRADE AND BILLS PAYABLES

As at 31 December 2025, trade and bills payables were RMB24,219.0 million, representing an increase of 6% compared with RMB22,858.0 million as at 31 December 2024, which was mainly due to the addition of project fees and land fees.

INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 31 December 2025, interest-bearing bank and other borrowings (current and non-current) were RMB129,012.0 million, representing an increase of 5% compared with RMB122,800.9 million as at 31 December 2024. The increase in interest-bearing bank and other borrowings was mainly due to the increase in bank borrowings by the Group during the Year.

GEARING RATIO

The Group monitors its capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest-bearing bank and other borrowings less other financial assets (financial products), restricted bank balances and cash and cash equivalents. Adjusted capital comprises all components of equity and the Group's amounts due to the holding companies. The Group aims to maintain the net debt-to-adjusted capital ratio at a reasonable level. The net debt-to-adjusted capital ratios as at 31 December 2025 and 31 December 2024 were as follows:

	As at 31 December	
	2025 (RMB million)	2024 (RMB million)
Interest-bearing bank and other borrowings (current and non-current)	**129,012.0**	122,800.9
Less: cash and cash equivalents, restricted bank balances and certain other financial assets	**(32,389.0)**	(34,855.8)
Net debt	**96,623.0**	87,945.1
Total equity	**119,561.4**	108,278.6
Add: the Group's amounts due to the holding companies*	**20,062.4**	22,694.3
Adjusted capital	**139,623.8**	130,972.9
Net debt-to-adjusted capital ratio	**69%**	67%

* The Group's amounts due to the holding companies, including the amounts due to Sinochem Hong Kong Capital Management Co., Ltd., a wholly-owned subsidiary of Sinochem Hong Kong (Group) Company Limited.

LIQUIDITY AND CAPITAL RESOURCES

The Group's cash is primarily used to pay for capital expenditure, construction costs, land costs (principally the payment of land grant fees and relocation costs), infrastructure costs, consulting fees of architects and designers and finance costs, the Group's indebtedness, amounts due to and loans from related parties, and fund working capital and normal recurring expenses. The Group has financed the liquidity requirements primarily through internal resources, bank and other borrowings, issue of senior notes and medium-term notes, issue of perpetual capital securities, issue of domestic corporate bonds and issue of new shares.

As at 31 December 2025, the Group had cash and cash equivalents of RMB28,403.2 million, mainly denominated in RMB, HK dollars and US dollars (as at 31 December 2024: RMB30,805.1 million).

As at 31 December 2025, the Group had total interest-bearing bank and other borrowings of RMB129,012.0 million (as at 31 December 2024: RMB122,800.9 million). An analysis of the interest-bearing bank and other borrowings of the Group is set out as follows:

	As at 31 December	
	2025 (RMB million)	2024 (RMB million)
By term:		
Within one year	**28,124.6**	21,607.0
In the second year	**28,741.6**	38,363.9
In the third to fifth years, inclusive	**48,164.9**	42,800.4
Beyond five years	**23,980.9**	20,029.6
Total	**129,012.0**	122,800.9

Interest-bearing bank and other borrowings of approximately RMB28,124.6 million were repayable within one year and shown under current liabilities. All of the Group's borrowings are denominated in RMB, HK dollars and US dollars. As at 31 December 2025, save as interest-bearing bank and other borrowings of approximately RMB28,760.7 million that bore interest at fixed rates, other interest-bearing bank and other borrowings bore interest at floating rates. There is no material seasonal effect on the Group's borrowing requirements.

As at 31 December 2025, the Group had banking facilities of RMB159,803.2 million denominated in RMB, HK dollars and US dollars. The amount of banking facilities utilised was RMB89,552.3 million.

The Group's net cash outflow of RMB2,396.2 million up to 31 December 2025 consisted of:

A net cash inflow of RMB463.1 million from operating activities, which was mainly attributable to the proceeds derived from the sales of properties, property rental and revenue from hotel operations etc. by the Group, and was partially offset by the payment of land and construction costs, selling and marketing expenses, administrative expenses and tax expenses, etc.

A net cash outflow of RMB4,858.6 million from investing activities, which was mainly attributable to the investments in joint ventures and associates by the Group, partially offset by proceeds from disposal of subsidiaries and the recovery of loans from joint ventures and associates.

A net cash inflow of RMB1,999.3 million from financing activities, which was mainly attributable to new bank and other borrowings, capital contribution from non-controlling shareholders, etc., partially offset by repayment of bank and other borrowings, payment of interests, payment of dividends to non-controlling shareholders, repayment of loans to non-controlling shareholders and acquisition of non-controlling interests, etc.

PLEDGE OF ASSETS

As at 31 December 2025, the Group's interest-bearing bank and other borrowings were secured by the Group's property, plant and equipment of RMB4,021.1 million, properties under development of RMB57,630.1 million, properties held for sale of RMB9,520.4 million, investment properties of RMB17,424.7 million, right-of-use assets of RMB152.4 million, investments in associates of RMB152.4 million, trade receivables of RMB11.4 million, and revenue generated during the Year by certain pledged investment properties and hotels with an aggregate amount of RMB1,917.6 million.

FINANCIAL GUARANTEES

As at 31 December 2025, the Group provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB5,818.6 million (2024: RMB6,739.5 million).

In addition, as at 31 December 2025, the Group provided guarantees to certain joint ventures and associates of the Group for their bank loans in the amount of RMB727.3 million (2024: RMB1,364.3 million) and RMB280.3 million (2024: RMB632.2 million), respectively. At 31 December 2025, certain of the Group's equity investments in joint ventures and associates, which had an aggregate net carrying amount of RMB446.1 million (2024: RMB1,064.5 million), were also pledged to secure the same bank loans aforementioned.

The Group assessed that the fair value of the financial guarantees at initial recognition and the expected credit loss allowance during the Year were insignificant.

MARKET RISK

The Group's assets are predominantly in the form of land use rights, land under development, properties under development, properties held for sale and investment properties. In the event of a severe downturn in the property market in Mainland China, these assets may not be readily realised.

INTEREST RATE RISK

The Group is exposed to interest rate risk resulting from fluctuations in interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. Increase in interest rates will increase the interest expenses relating to the Group's outstanding floating rate borrowings and increase the cost of new debts. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the Group's debt obligations. The Board will from time to time review the interest rate risk of the Group and will hedge and control such risks should the need arise.

FOREIGN EXCHANGE EXPOSURE RISK

Substantially all of the Group's revenue and costs are denominated in RMB. Since 2016, the Group has changed to report its financial results in RMB. As the Group still has borrowings denominated in US dollars and HK dollars, the Group is exposed to the risk of fluctuations in foreign exchange rates. The Board will from time to time review the foreign exchange exposure risk of the Group and will hedge and control such risks should the need arise.

NETWORK RISKS AND SECURITY

As computer system and the Internet play a key role in our operations, the Group has designated professionals to monitor and assess the potential network risks. Hardware and software are subject to tracking according to appropriate policies of the Company. Potential network risks and network security are major issues that draw the management's attention. Accordingly, the Group has put in place policies and procedures to regulate the use of the Internet, physical maintenance of system power supply and regular update of the Internet security system and firewall, in order to isolate the Company's intranet from outside networks. Designated professionals are responsible for daily monitoring of any unusual network activities.

DATA FRAUD AND THEFT RISKS

The Group continues to review and update the internal control system on data and information access. The Group has adopted appropriate policies to protect its data. Only authorised persons are allowed to login. The management considers that the existing policies and procedures are effectively implemented to avoid data fraud and theft risks.

ENVIRONMENTAL AND SOCIAL RISKS

Due to the nature of business, in the event of serious and permanent climate change in China, the Company will face moderate environmental risks. The risks may have adverse effects on property construction and operations and affect the Company's market operations and the turnover of property sales.

| Sustainable Development

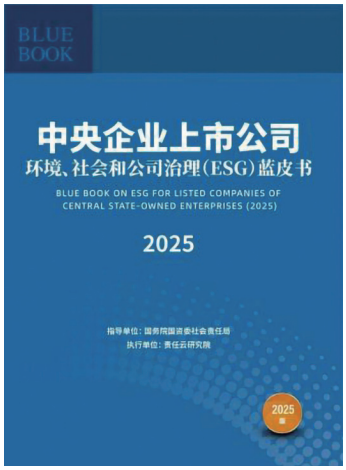
Sustainable Development

SUSTAINABLE DEVELOPMENT MANAGEMENT

Attaching great importance to environmental, social and governance ("ESG"), China Jinmao continuously improves the level and performance of ESG governance, and achieves the comprehensive and in-depth integration of the concept of sustainable development with corporate development strategy and business decision-making based on a scientific and professional ESG structure and a sound management system.

In 2025, the Company's ESG performance reached a new high: its GRESB (Global Real Estate Sustainability Benchmark) rating achieved the highest five-star level for the first time, and it once again obtained the highest level "A" in public disclosure; it received a "Low Risk" ESG rating from Sustainalytics (Morningstar); its Wind ESG rating was upgraded from A to AA, and it was selected into the "2025 Wind Top 100 ESG Best Practices of Chinese Listed Companies – Small and Medium Market Capitalisation" list; it was selected into the "Pioneer 100 of Chinese ESG Listed State-owned Enterprises (2025)" list released by China Media Group; the Company's ESG governance case was selected into the "ESG Blue Book of Listed State-owned Enterprises (2025)" by the Social Responsibility Bureau of the SASAC of the State Council, with its ESG governance system and effectiveness recognised by the SASAC. In addition, the Company's MSCI ESG rating remained stable at A, and it received an A rating in the Hang Seng ESG Sustainability Index.

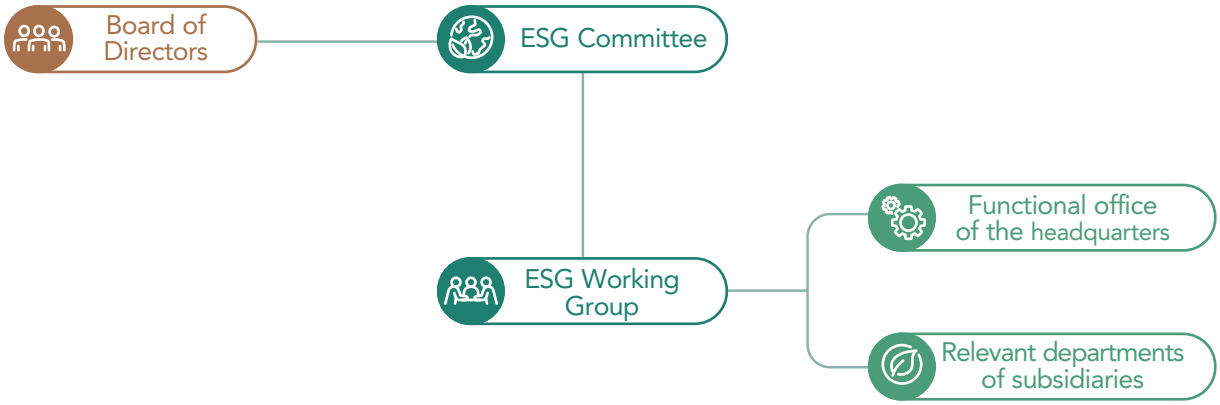
GRESB highest five-star level



Selected into the "ESG Blue Book of Listed State-owned Enterprises"

Wind ESG rating upgraded to AA

Sustainable development governance structure



Board of Directors

As the highest decision-making body of China Jinmao's ESG governance structure, the Board comprehensively supervises the Company's ESG related matters, reviews the ESG vision, objectives, strategies and policies, evaluates and determines ESG risks and opportunities related to the Company's business, and supervises and reviews the Company's ESG performance.

Environmental, Social and Governance Committee (ESG Committee)

The Board of the Company authorised the establishment of the ESG Committee, with Mr. TAO Tianhai, the Chairman and an executive Director, Mr. ZHONG Wei, an independent non-executive Director, and Mr. TIAN Jiupo, the chief product officer of the Company, serving as members. The ESG Committee shall assist the Board to comprehensively guide and monitor ESG management, formulate and regularly review ESG vision, objectives, strategies and policies, comprehensively monitor ESG risk management, material issues, progress of objectives and other related work, review the Company's annual ESG report, and complete other matters authorised by the Board.

Environmental, Social and Governance Working Group (ESG Working Group)

The Company has set up an ESG Working Group under the ESG Committee, which is composed of the functional office of the Company's headquarters and the counterparties at the relevant departments of the subsidiaries, and is responsible for the implementation of ESG work. Under the supervision and guidance of the ESG Committee, the ESG Working Group carries out ESG goal setting and follow-up work, policy formulation and improvement, information management and disclosure, as well as internal and external communication, so as to comprehensively follow up and implement various ESG matters.

Sustainable development management strategies

China Jinmao pays attention to the demands and expectations of major stakeholders such as shareholders, customers, environment, employees, partners and communities. Guided by the United Nations 2030 Sustainable Development Goals (SDGs), the Company gives full play to the advantages of "city operators" and has developed the following targeted sustainable development strategies with the sustainable development vision of "Unleashing Future Vitality of the City". It is committed to creating maximum comprehensive economic, environmental and social value for each key stakeholder and jointly building a harmonious and win-win sustainable future.

Creating value with shareholders:

China Jinmao established sound investors' relations, strengthened the system to safeguard shareholders' interest and operated business in adherence to business ethics and in compliance with the laws and regulations while strengthening risk management and insisting on innovative development to maximise the returns to shareholders with sustainable operating results.

Progressing together with employees:

China Jinmao regarded employees as the Company's most valuable asset and respects their rights while ensuring their safety and health, creating a fair and open environment for employees and providing them with comprehensive career development channels and broad development potential for their growth in an effort to achieve enhancement in both corporate value and employee value.

Sharing quality with customers:

Committed to the mission of "Build Quality for Better Life", China Jinmao executed its undertaking towards each customer to provide customers with more diversified and comprehensive products and services in an effort to achieve the dream of future habitat and city.

Building harmony with the community:

As part of the community, China Jinmao actively participated in community development and contributed to the public welfare undertakings by upholding the development philosophy of "what is taken from society is used in society" to contribute to the building of a harmonious community.

Achieving win-win results with partners:

China Jinmao took a righteous and credible stance as the foundation of business and worked hand-in-hand with partners to drive industrial development in a diversified and win-win manner, building a responsible supply chain of sustainable development.

Co-depending with the environment:

Taking the green strategy as one of the Company's key strategies, China Jinmao continued to upgrade three areas namely "eco-city", "life building" and "zero-carbon operations" to build the "Ever Green" living model covering the whole process from design, construction to operation with a view to establishing itself as the model of city green operator in China.

SUSTAINABLE DEVELOPMENT REVIEW

Creating excellent value for shareholders

China Jinmao always insists on steady development, continuously explores innovative transformation, and is committed to creating higher value for shareholders.

Maintaining investor relations. Based on the trust and support of shareholders, we continue to improve the mechanism for protecting shareholders' rights and interests and actively facilitate the two-way flow of information. We continue to strengthen communication and exchanges with stakeholders, disclose updates on investment and operating condition to domestic and foreign investors as requested by the laws and regulations, and timely respond to investors' concerns.

Enhancing investment and financing capabilities. We continuously explore the opportunity for financial innovation and constantly expand financing channels to achieve diversified low-cost financing and ensure long-term and stable profit mechanism. We make value investments with scenarios and carriers, and open up new models and paths for investment to lead to production and integration of production, investment and financing. The "Huaxia China Jinmao Shopping Mall Closed Infrastructure Securities Investment Fund", as the first domestically listed consumer infrastructure public REITs, has continuously demonstrated robust market performance and operational vitality since its listing. Through highly efficient operations and refined management, it has cumulatively completed six dividend distributions. Its share price in the secondary market has risen significantly, and multiple operational indicators have achieved improvements against the trend. The Company issued the "CITIC Securities – China Jinmao Sanya Hotel Asset-backed Special Scheme", marking another important milestone for China Jinmao in actively responding to the national policy guidelines of "expanding domestic demand and promoting consumption", continuously optimising its capital structure, and empowering the high-quality development of the hotel and commercial segment.

Strengthening risk management and control. The Company continuously improves the risk management system, and endeavours to identify, evaluate, prevent and control internal and external risks effectively to ensure the stable, sustainable and healthy development of the Company. At the same time, by firmly establishing all employees' risk and compliance awareness and competence, we improve management efficiency to effectively avoid risks. In 2025, 100% of the contracts were reviewed by legal specialists and no material risk event was identified.

Promoting anti-corruption and integrity. We continue to improve the management mechanism, optimise the prevention and control measures, smoothen the reporting channels, solidly advance inspection and supervision, constantly enrich the construction of integrity work culture, and build a solid line of defence against corruption, adopting a zero-tolerance policy towards any form of corruption. The Company has focused on the Code of Business Ethics of China Jinmao and the Whistle-blowing Policy of China Jinmao to strengthen corporate governance, regulate business cooperation, provide clear business ethics guidelines for employees, and clarify the Company's policies and commitments on reporting and protecting whistle-blowers. At the same time, the Company requires all suppliers, contractors, and subcontractors to adhere to the highest standards of business ethics in their operations. Relevant policies and procedures have been established to eradicate any form of bribery, embezzlement, corruption, fraud, abuse of power, anti-competitive practices, and money laundering. Furthermore, they are required to sign the Sunshine Agreement, committing to the prohibition of illicit benefit transfers and fraudulent practices. In 2025, the Company did not identify any event of bribery and corruption.

Building the gold quality for our customers

Guided by the philosophy of "Product-driven • Customer First", China Jinmao always adheres to high-quality development with a focus on building technology and innovation businesses. The Company upholds the service philosophy that "customer's demand is our pursuit", builds a comprehensive one-stop customer service system with our full-dimensional touch points and super-standard service quality, and provides customers with a superior living experience of "warmth all year round".

Improving the quality of products. Upholding the mission of "building quality for better life", China Jinmao creates good products and good services with the philosophy of long-termism, continuously improves the quality control system and product standardisation system, drives urban evolution with green, healthy and smart technology, and provides customers with a healthy, safe, and comfortable high-quality life experience. In 2025, the Company thoroughly implemented the quality philosophy of "A delivery standard called Jinmao", completing the delivery of over 20,000 units in 37 projects of 25 cities, with customer satisfaction maintaining at the industry leading level of 90%. The Company continued to strengthen its holding operating business, with a number of commercial, hotel and office projects completed and opened, including Qingdao Eastern Eden, Hangzhou Qinwang Water Street, Changshu Kuncheng Lake Fengmaoli, Jiangyin Jiayue Hotel, Nanchang Jiayue Hotel, and Ningbo Jinmao Jiayue Hotel, further enhancing regional comprehensive service capabilities.

Upgrading service experience. Guided by customer needs, the Company continues to improve the construction of customer service management system, and explore more humanised, customised and personalised service experience. Building a comprehensive and multi-dimensional service system with the unified membership system at its core, China Jinmao integrates diverse business formats including property, commercial, hotel, and cultural tourism, and is committed to providing customers with a full lifecycle and full life scene high-quality service experience.

Strengthening communication with customers. We continue to expand our customer service platform, optimise customer service complaint management, and listen to customers' voices through various means such as the 400 call centre system, Jinmao Luxuriance platform, in-depth interviews with property owners, home visits, site opening, and customer experiencing day. In order to enhance customers' understanding and trust of Jinmao's quality, projects in various places have successively carried out "panoramic perspective" online live broadcast, "site open day", and "visible construction" activities to provide customers with real and visible assurance of quality. At the same time, we contribute to the sustainable growth of the community and demonstrate our solemn commitment to a better life by improving service efficiency and customer satisfaction.

Facilitating a win-win path for our partners

Upholding the principle of "creating value together and pursuing win-win results", China Jinmao pays close attention to the development trends of the industry, actively communicates and cooperates with suppliers, peer enterprises, financial institutions, research institutes and governments at all levels, and constantly uses our own advantages and resources to export high-quality experience so as to expedite the sustainable development of the industry.

Practising transparent procurement. Adhering to the principles of "eco-friendliness, openness, standardisation and intelligence", the Company has established a transparent tendering and procurement platform and a transparent and honest cooperation mechanism, severely cracked down on commercial bribery, unfair competition and other illegal activities, and eliminated inappropriate behaviour in the supply chain, so as to build a high-quality supply chain. All suppliers of the Company are required to comply with the "Code of Conduct for Suppliers of China Jinmao", formulate their internal anti-corruption policies and accept regular audits. Moreover, the Company emphasises on cultivating partners' awareness of sustainable development and integrates environmental protection, resource conservation, product quality, health and safety and other sustainable development concepts into procurement requirements to promote the construction of a long-term, stable, responsible, and sustainable supply chain system.

Facilitating cross-industry cooperation. Integrating its own advantages, the Company shares technological achievements with partners inside and outside the industry, and builds an industrial ecosystem of symbiotic value. In 2025, China Jinmao delivered thematic presentations at the 14th Real Estate Industry Chain Innovation and Cooperation Forum, the 3rd China "Good Houses and Good Communities" High-Quality Development Forum, and the 2025 Annual Conference and "Good Houses" Innovation and Development Conference, systematically explaining China Jinmao's R&D practices for good houses, as well as the core concepts and practical achievements of the "Jin Yu Man Tang" product system. Furthermore, from dimensions such as technological empowerment and product innovation, it comprehensively demonstrated Jinmao's systematic thinking and practical pathways in advancing the construction of "good houses". In terms of cooperation and innovation between the enterprise and universities, Jinmao Green Construction held the 7th University Innovation Competition – "The Supremacy of Science", attracting more than 150 innovative teams from over 30 top universities in China and overseas to actively participate. Centring on technological innovation, the competition drove the identification of cutting-edge technologies, project incubation, and industrial application, gradually building a synergetic innovation chain.

Building a happy home for employees

China Jinmao regards employees as the most valuable asset. Adhering to the talent development strategy of "creation, sharing and growth together", the Company continuously improves employment, management, training system and protection mechanism, and is committed to providing every employee with a broad career development platform and abundant growth opportunities, building an equal, diversified, inclusive and harmonious workplace environment.

The Company has adopted appropriate recruitment and selection measures and established talent management and training programmes to consider diverse candidates. The Board believes that the Company has ensured gender diversity at the employee level by providing a fair environment, and the proportion of female employees has been maintained at a level consistent with industry characteristics for a long time. The Company continues to improve the system of gender diversity for all employees (including senior management). As of the end of the Reporting Period, the Company had a total of 8,182 employees, of which 34.5% were female, 19% managers were female, and 7.3% were ethnic minority.

Safeguarding employees' interests. The Company strictly abides by relevant international conventions and relevant laws and regulations of the places where it operates, continuously improves the employee management system, always adheres to the principle of equal and fair employment and strictly prohibits discrimination, child labour and other forced and compulsory labour. The Company strengthens democratic management of employees by forming a democratic management and supervision system with the employee representative meeting system as the core, continuing to pay attention to and respond to the requirements of employees. In 2025, the Company did not receive any employee complaints related to human rights such as child labour or forced labour.

Optimising the remuneration package. We continuously improve the system of remuneration package in order to establish a more fair and equal incentive mechanism, further playing the role of the incentive system in driving business growth, and ensuring that revenue growth is in line with corporate development and employee performance. On the premise of basic social security benefits, we provide employees with various supplementary benefits such as trade union care, holiday subsidies and commercial supplementary insurance, and regularly adjust internal salary levels according to market standards. By means of competitive remuneration packages, we pragmatically enhance employees' sense of happiness and belonging.

Reinforcing safety responsibilities. We continue to improve the safety and health management system. Taking lean construction as the core, we adhere to the strategic guidance of the FORUS system, and build our lean construction capabilities by making up for shortcomings, building platforms, and upgrading systems. With the goal of achieving "four zero" in HSE management, the Company earnestly implements the dual prevention mechanism for risks and hidden dangers. "4+N" special actions are conducted to ensure the implementation of HSE management at the front line. We also incorporate health and safety as a key indicator in the performance evaluation system, so as to deepen the awareness of safe production of employees and contractors, and continuously reduce safety risks. China Jinmao passed the ISO 45001 occupational health and safety management system standard, reaching the internationally advanced level in occupational health and safety management. During the Year, the Company achieved its "four zero" goal of safe production, i.e., "0" fatal accident, "0" general and above environmental incident, "0" major negative HSE public opinion, and "0" new occupational disease.

Helping talents grow. The Company continuously upgrades its internal training mechanism, organises and carries out various vocational training to systematically consolidate the construction of talent echelon. We have always focused on establishing a systematic talent concept as well as a distinct management culture and values to comprehensively enhance the capabilities of talents. The Company has established a diversified training system for new employees, professional talents, and management talents, which uses "multi-echelon training" to form hierarchical coordination, provide training proposals that meet the development needs of employees at different stages, and comprehensively improve the vocational skills and professional qualities of employees. At the same time, the Company has established a three-channel career development path for management stream, professional stream, and skill stream employees to meet their career development needs. Altogether fifteen categories in the professional stream, such as engineering, marketing and design, have been developed according to the business development needs of the Company to provide employees with a broader career development path.

More caring for the employees. Guided by corporate culture and in alignment with the Company's actual business development, we systematically organise diverse cultural and sports events, including themed festival activities, to assist employees in achieving work-life balance. Meanwhile, we emphasise employee care, focus on the practical needs of different groups, implement caring measures, strengthen humanistic care and psychological support, and continuously enhance team cohesion. For female employees, we continuously refine labour protection systems and facilities. By leveraging special events such as Women's Day, Mother's Day, and health seminars, we actively build growth platforms to support female employees in realising the comprehensive elevation of their career development and personal value.

Delivering boundless love for our community

Upholding the mission of "alleviating poverty, actively participating in charity and building a harmonious community" and leveraging the business resource and platform advantages, China Jinmao drives employees, partners and customers to participate in social welfare undertakings in the aspects of rural revitalisation, community governance, and caring for vulnerable groups, continuing to promote the creation of social value.

Improving public welfare management. Continuously improving the public welfare management mechanism, the Company integrates its own resource advantages and business characteristics to infiltrate public welfare undertakings into organisational management and operation and create all-round public welfare projects. We call on management personnel at all levels and stakeholders for active participation, jointly promoting the close integration of public welfare undertakings and sustainable undertakings, and contributing more warmth and caring to the society. We have created various public welfare projects, which cultivate in ecological environment, education, poverty alleviation and other fields with its huge community service and connection capabilities, continuously exploring innovative models of community public welfare.

Focusing on rural revitalisation. The Company attaches great importance to rural revitalisation in the assisted areas. Through measures such as consumption-based assistance, industrial assistance, and educational assistance, it promotes the diversified development, quality improvement, and efficiency enhancement of industries in these areas. In 2025, the Company actively carried out various assistance efforts, strengthened close ties with paired assisted areas, and placed special emphasis on supporting individuals in areas with employment difficulties. It actively helped sell and purchase agricultural products from these assisted areas, achieving cumulative consumption-based assistance of RMB3.44 million and assisted sales of RMB1.22 million throughout the year. Upholding the concept of "Dual Support for Intelligence and Ambition", the Company sets up an incentive fund for outstanding young teachers and establishes remote classroom as the teaching point as well as "Dream Building Public Welfare Libraries", which helps areas where educational resources are scarce to improve educational conditions.

Launching public welfare campaigns. Leveraging its own resource and professional advantages, the Company actively carries out public welfare and charity activities and volunteer services. It actively joins hands with local public welfare and charity organisations to form volunteer service teams with Jinmao characteristics, and carries out volunteer activities which focus on community needs such as public welfare tree planting and caring for children, conveying care and giving back to the community with actions. In 2025, the number of the Company's volunteers reached 3,479, and the expenditure on social charity and public welfare activities amounted to RMB11.497 million.

Contributing green civilisation to the environment

Inheriting its innate green gene, China Jinmao takes the "utmost green quality" green strategy as its core framework, systematically advancing the synergetic development of the three major dimensions of ecological cities, living buildings, and "zero-carbon" operations. It infiltrates the green, low-carbon, and sustainable concepts through the entire life cycle of urban and architectural planning and design, building material selection, construction, and operation management, so as to assist cities in achieving high-quality and sustainable development. China Jinmao actively implements the national "dual carbon" strategy, incorporates the concept of "carbon neutrality" into city planning and construction, and proactively explores pathways for energy conservation and emission reduction. It is committed to creating ultra-low energy consumption and zero-energy consumption buildings, promoting the application of smart energy, and continuously reducing carbon emissions of buildings, thereby leading the green transformation of the industry.

Deepening green management. In strict compliance with the relevant laws, regulations and standards in the place of operation, the Company constantly updates and optimises its management system to effectively manage, control and keep reducing the impact of business operations on the environment. The Company continues to advance environmental impact assessment and management, and takes prevention and control measures from the source against dust, noise and solid waste pollution that may be incurred in the process of construction and operation, so as to effectively reduce the generation and discharge of pollutants, improve the efficiency of resource utilisation, and minimise the negative impact to personnel health and ecological environment in the process of construction and operation.

Co-building eco-cities. We build ecological cities according to local conditions and inject lasting power into the sustainable development of cities. The Company always adheres to the green development strategy, continuously pushing ahead the creation of the "carbon neutral" IP under city operations, and deepening the development of passive low-energy buildings and net-zero carbon buildings, which are widely used in residential buildings, office buildings, commercial complexes, educational facilities and other fields.

Creating green buildings. Adhering to the philosophy of "green technology for a better life", the Company actively advocates green design, promotes green construction and conducts green operation, implementing green environmental protection requirements at the entire life cycle of buildings. We improve the energy-saving level of buildings and the ability to respond to climate change, setting up a model of green and healthy living. As of the end of 2025, a total of 326 projects have obtained green building certification, with 100% of newly constructed projects meeting green building standards.

Adhering to green operations. The Company deeply explores the potential of energy conservation and emission reduction in the operational stage of buildings, and promotes the effective and sustainable utilisation of resources and energy through advancing energy substitution, improving energy efficiency, promoting green office, strengthening waste recycling and other measures, thereby actively assisting the realisation of low-carbon targets. The Company has formulated the China Jinmao Low-carbon Development Plan and Implementation Scheme to clarify the key carbon emission units and projects, as well as the implementation path of carbon emission reduction from the four dimensions of "ecological city", "life building", "low-carbon operation" and "focus on carbon reduction in the entire life cycle", so as to ensure the successful achievement of carbon emission reduction targets. The Company continues to explore the development model of smart energy, and vigorously promotes the use of clean energy and renewable energy in daily operations, reducing energy consumption in the operation process from the source.

Disseminating green concept. In response to the national call for low-carbon environmental protection, the Company actively disseminates the concept of green development, leading the industry in green and low-carbon development. China Jinmao not only insists on internal green operation management, but also conveys the concepts of green, low-carbon and sustainability to the society. In 2025, the 11th season of Run Green China officially started in various cities in China. As one of China Jinmao's brand IPs, "Run Green China" practises green and healthy concepts and delivers green and healthy lifestyles and brand concepts through sports.

Investor Relations

INVESTOR RELATIONS ACTIVITIES FOR 2025

March

Announced the annual results for 2024
Hosted press conference for the annual results for 2024
Carried out non-deal related roadshow

May

Participated in the Shanghai investor meeting of China Merchants Securities
Participated in the Shanghai investor meeting of CITIC Securities
Participated in the Shanghai investor meeting of Minsheng Securities
Participated in the Shanghai investor meeting of Everbright Securities

June

Participated in the Beijing investor meeting of Shenwan Hongyuan

August

Announced the interim results for 2025
Hosted press conference for the interim results for 2025
Carried out non-deal related roadshow

September

Participated in the Shanghai investor meeting of Shenwan Hongyuan
Participated in the Shanghai investor meeting of Guoxin Securities

November

Organised investor roadshow in Xi'an
Participated in the Shanghai investor meeting of Guotai Haitong
Participated in the Shanghai investor meeting of CICC
Participated in the online investor meeting of Caitong Securities
Participated in the online investor meeting of JPMorgan Chase

December

Participated in the Beijing investor meeting of CSC
Participated in the online investor meeting of Industrial Securities

COMMUNICATION WITH SHAREHOLDERS

The Company considers that high-efficiency communication is a key factor for establishing sound interaction with its shareholders successfully. The Company has always been committed to providing its existing and potential investors with accurate and timely information, and maintaining its communication with investors by various means, thereby enhancing the transparency of its information disclosure. The Company attaches great importance to the communications with shareholders and public investors to ensure them to have a good channel for voicing their opinions and advice on the Company's performance. At the same time, the Company may also explain the operation of projects and its development strategies.

The Company has constantly maintained a sound two-way communication with its shareholders, and provides information to shareholders mainly through the following channels:

- The Company's annual report, interim report and circulars – they are distributed to shareholders and investors, as well as analysts who are interested in the Company's performance pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules");
- Annual general meeting – the directors and other senior management of the Company are present at the meeting, answering shareholders' inquiries and exchanging opinions with them;
- The Company's interim and annual results announcement conferences – the Company announces its interim and annual results and responds to the inquiries from investors and the media;
- Voluntary disclosure of the Company's information – the Company, through different means, including investor meetings, telephone interviews, press releases and media interviews etc., announces major issues of the Company to the market in a timely and compliant manner pursuant to the Listing Rules and the relevant requirement of the "Guidelines on Disclosure of Inside Information", and responds to the inquiries from investors and analysts in a timely manner;
- Periodic meetings with institutional investors and securities analysts on a voluntary basis – the Company provides information on its latest business development to attract more attention from the market. The management of the Company regularly participates in global non-deal related roadshow activities held after the publication of annual reports and interim reports to respond to queries related to its corporate development strategies and market outlook. These measures provide overseas shareholders with an opportunity to discuss with the management of the Company;

- Organising site visits – based on the development progress of its projects, the Company organises on-site visits for investors and analysts to directly visit various projects of the Company as and when necessary, and enables them to communicate with the management, so as to enhance investors' understanding of the Company's development.

In 2025, the Company's management participated in various investor exchange meetings held online and offline, to broaden its communication with international, Hong Kong and Chinese mainland investors. In addition, the Company organised investor survey and exchange activities in Xi'an to facilitate deeper communication with investors and analysts. During the Year, the Company received over 100 investors and arranged over 100 investors to visit its projects in different places.

The Company has reviewed the shareholder communication policy and believes that the Company has provided investors with multiple channels for investors to understand the Group's business and operations, as well as channels for investors to express their opinions and comments. The Company has also actively responded to the feedback from investors. Based on the above, the Company believes that the shareholder communication policy implemented during the Year was sufficient and effective.

FEEDBACK FROM INVESTORS

The Company considers investors' feedback highly important. During the Year, the Company conducted several summaries and analyses on opinions from investors and analysts to have an understanding of the effectiveness of its investor relations function in a timely manner. The Company will further improve the quality of communication based on the investors' feedback to facilitate better communication with investors and analysts in future.

PROSPECTS OF OUR INVESTOR RELATIONS WORK

The Company will continue to progressively strengthen its efforts on investor relations to facilitate better communication with public investors and analysts. The Company is committed to ensuring the full compliance with the disclosure obligations under the Listing Rules and other applicable laws and regulations. In terms of compliance, we will continue to deliver the Company's latest information to the investors all over the world and enhance the Group's corporate governance standards and transparency in order to gain more trust and support from investors.

Profile of Directors and Senior Management

Mr. TAO Tianhai

Chairman and Executive Director

Mr. TAO, who was born in October 1975, has been the Chairman of the Company since 11 March 2025, and shouldering the work and responsibilities of the Chief Executive Officer at the same time. Mr. TAO joined the Company in July 2000 and held various management positions in China Jin Mao (Group) Co., Ltd., a subsidiary, including the manager of the corporate planning department and the general manager of the strategic planning department. He had successively served as the general manager of the strategic operations department, general manager of the cost contracting department and assistant to the president of the Company from October 2009. Mr. TAO had been a vice president of the Company since January 2017, a senior vice president of the Company since October 2017, and an executive Director and Chief Executive Officer of the Company since April 2023. Mr. TAO also serves as a director or chairman of a number of subsidiaries of the Company, including Shanghai Jinmao Investment Management Group Co., Limited, Beijing Jinmao Xinghua Enterprise Management Co., Ltd. and Jinmao Capital Holdings Limited. Mr. TAO has more than 25 years of experience in hotel and real estate development and management, and accumulated extensive practical experience in areas of corporate management, strategic management, operations management, etc. Mr. TAO obtained a bachelor's degree in library science from the School of International Business Administration of Northeast Normal University in July 1997 and a master's degree in political economy from the School of Economics of Fudan University in July 2000.

Profile of Directors and Senior Management

Mr. ZHANG Hui

Executive Director and Senior Vice President

Mr. ZHANG, born in October 1970, has been an executive Director of the Company since October 2023. He joined the Company in 2010 and was the vice president of the Company from January 2010 to July 2014, and has served as the senior vice president of the Company since October 2017. From October 2017 to July 2019, Mr. ZHANG was in charge of the Group's operation and management in the southwest region. He has been in charge of the Group's investment and development since July 2019. Mr. ZHANG has held senior positions in various subsidiaries of the Company, including serving as the secretary of the Party Committee and general manager of China Jin Mao (Group) Co., Ltd. from January 2010 to October 2017, and as the chief executive officer and executive director of Jinmao Hotel and Jinmao (China) Hotel Investments and Management Limited (a company delisted from The Stock Exchange of Hong Kong Limited in October 2020, stock code before the delisting: 06139) and Jinmao (China) Investments Manager Limited from March 2014 to October 2017. He has been redesignated as a non-executive director of these companies since October 2017. Mr. ZHANG also served as a director of a number of subsidiaries of the Company including Beijing Chemsunny Property Co., Ltd., Jinmao Chuangying (Tianjin) Consulting Co., Ltd. and Year Fine Limited. Mr. ZHANG joined Sinochem Group Co., Ltd. in 2002 and held a number of senior positions including the director and the general manager of Shanghai Orient Terminal Co., Ltd. Before joining Sinochem Group Co., Ltd., he worked at Shanghai Offshore Petroleum Bureau of China Petrochemical Corporation from 1995 to 2002. Mr. ZHANG has over 25 years of experience in large-scale project investment studies, development and construction, operation and management, and has extensive experience in corporate governance of listed companies. Mr. ZHANG graduated from China University of Geosciences (Wuhan) with a bachelor's degree in oil and gas reservoir engineering in June 1995 and obtained an executive master's degree in business administration from China Europe International Business School in September 2008. He obtained the Professional Certificate of Specialty and Technology and was awarded with the title of Senior Economist in December 2011. He was a delegate in the 14th Session of the Shanghai Municipal People's Congress.

Ms. QIAO Xiaojie (喬曉潔, with the former Chinese name of 喬曉杰)

Executive Director and Chief Financial Officer

Ms. QIAO, who was born in October 1973, has been an executive Director and Chief Financial Officer of the Company since April 2023, and has concurrently served as the chief legal counsel and chief compliance officer of the Company since May 2025. Ms. QIAO joined the Company in February 2008 and served as the general manager of the financial management department until January 2013. She then joined Sinochem Group Co., Ltd. and had served successively as the deputy general manager of the accounting management department, the deputy general manager and the general manager of the analysis and evaluation department and the deputy director of the strategy implementation department from January 2013 to September 2017. Ms. QIAO rejoined the Company as the deputy financial controller in September 2017, concurrently served as the general manager of the financial capital centre from May 2021 to April 2023. Ms. QIAO has been a non-executive director of Jinmao Property Services Co., Limited (stock code: 00816) since August 2021. She is also a director of a number of subsidiaries of the Company including Beijing Chemsunny Property Co., Ltd. and Jinmao Capital Holdings Limited. Prior to joining the Company, Ms. QIAO had successively held management positions such as accounting head and deputy general manager in the finance department of Beijing Three Gorges Economic Development Group and China Resources Land (Beijing) Company Ltd. from July 1995 to February 2008. Ms. QIAO has over 25 years of experience in corporate finance and financial management. Ms. QIAO obtained a bachelor's degree in accounting from North China University of Technology in July 1995 and a master's degree in accounting from Central University of Finance and Economics in December 2006. Ms. QIAO possesses the qualification of a professor-level senior accountant in Beijing and is a member of The Chinese Institute of Certified Public Accountants. Ms. QIAO is also a certified management accountant of The Institute of Management Accountants of the United States of America.

Profile of Directors and Senior Management

Mr. CUI Yan

Non-executive Director

Mr. CUI, who was born in January 1970, has been a non-executive Director of the Company since June 2025. Mr. CUI joined Sinochem Holdings Corporation Ltd. in 2002 and worked in the industrial mechanical business department of Sinochem International Tendering Co., Ltd. Before that, Mr. CUI worked in China Industrial Machinery Import and Export Corporation. From May 2009 to May 2017, Mr. CUI served successively as the deputy general manager of Sinochem International Tendering Co., Ltd., the director of human resources department of Sinochem Holdings and the executive vice dean of Sinochem Management Institute. From May 2017 to June 2025, Mr. CUI served as the vice president of the financial business division of Sinochem Holdings, and successively held multiple senior positions, including deputy general manager, general manager and chairman of the board, in several subsidiaries of Sinochem Holdings, including Sinochem Commerce Co., Ltd., Sinochem Capital Investment Management Co., Ltd and Sinochem Environment Holdings Co., Ltd. Mr. CUI is currently a full-time external director of subsidiary(ies) of Sinochem Holdings. Mr. CUI has served as a non-independent director of Luxi Chemical Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000830) since July 2025, and a non-executive director of Jinmao Property Services Co., Limited (stock code: 00816) since December 2025. He served as a non-executive Director and a member of the Remuneration and Nomination Committee of the Company from June 2015 to August 2017. Mr. CUI has nearly 25 years of experience in large-scale enterprise management, human resources management, and corporate investment and financing. Mr. CUI graduated from the Beijing Institute of Technology, majoring in mechanical design and manufacturing, and received his bachelor's degree and master's degree in 1991 and 1994, respectively. Mr. CUI obtained his doctorate degree in economics, majoring in labour economics from the Chinese Academy of Social Sciences in 2020.

Mr. LIU Wen

Non-executive Director

Mr. LIU, who was born in July 1967, has been a non-executive Director of the Company since June 2025. Mr. LIU joined China Bluestar Chemical Cleaning Corporation in October 1992 and successively served as the assistant to the general manager of the Northwest Branch Office and the deputy director of the finance office of the head office. From January 2002 to July 2004, Mr. LIU successively served as the deputy director of the asset management department, the director of the policy and regulation office, the deputy director and director of the finance office of China Bluestar (Group) Limited. From July 2004 to September 2013, Mr. LIU served as the deputy director and the head of the funding division of the finance department of China National Chemical Corporation Ltd. ("ChemChina"). From September 2013 to June 2021, Mr. LIU served as the deputy chief auditor of ChemChina, during which, he temporarily served as a member of the Standing Committee of the CPC Jixi Municipal Committee and Deputy Mayor of Jixi City from April 2016 to April 2018. From June 2021 to June 2025, Mr. LIU served as the deputy director of the audit department of Sinochem Holdings, and successively served as the supervisor in several subsidiaries of Sinochem Holdings, including Sinochem Information Technology Co., Ltd. and China Bluestar Chengrand Co., Ltd. Mr. LIU is currently a full-time external director of subsidiary(ies) of Sinochem Holdings. He has served as a non-independent director of Sinochem International Corporation (a company listed on the Shanghai Stock Exchange, stock code: 600500) since July 2025. Mr. LIU has nearly 35 years of experience in the financial management and audit supervision of large-scale enterprises. Mr. LIU graduated from the Department of Management Science of Shandong University in 1989, majoring in management science. Mr. LIU obtained a master's degree in business administration (EMBA) from Guanghua School of Management, Beijing University in 2006.

Profile of Directors and Senior Management

Mr. CHEN Yijiang

Non-executive Director

Mr. CHEN, who was born in August 1973 and has been a non-executive Director of the Company since June 2024. Mr. CHEN joined New China Life Insurance Company Ltd. (which A shares (stock code: 601336) and H shares (stock code: 01336) are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively) in April 2003, successively served as an assistant general manager of the financial management department of resource management centre, deputy general manager and general manager of the fund utilisation management department, and general manager of the investment department. Mr. CHEN has served as the chairman of New China Asset Management (Hong Kong) Limited since October 2023, and a director and general manager of New China Asset Management Co., Ltd. since May 2025. Mr. CHEN now serves as the deputy secretary-general to the Institutional Investor Committee of the Insurance Asset Management Association of China, a member of Risk Control Expert Committee and an external expert of asset management plan of PICC Insurance Asset Registration and Trading System Co., Ltd. Mr. CHEN has served as a non-executive director of Guotai Haitong Securities Co., Ltd. (which A shares (stock code: 601211) and H shares (stock code: 02611) are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively) since September 2024. Mr. CHEN has over 20 years of experience in insurance asset management, financial and accounting management, corporate investment and financing and risk management. Mr. CHEN obtained a bachelor's degree in economics from Renmin University of China in 1996, a master's degree in management from Department of Financial Accounting of Xiamen University in 1999, subsequently, and an executive master of business administration (EMBA) from the University of Illinois in 2002.

Ms. WANG Wei

Non-executive Director

Ms. WANG, born in May 1967, joined the Company in November 2023 and has been a non-executive Director of the Company since then. She joined Ping An Life Insurance Company of China, Ltd. in May 2022 as a risk specialist in the alternative investment management department of the investment management centre. Ms. WANG consecutively served as the general manager of the asset preservation department, risk management department and credit approval department of Shenzhen Development Bank (renamed and known as Ping An Bank since 2012) Tianjin Branch from April 2002 to March 2017, and then as an assistant to the president of Ping An Bank Jinan Branch from March 2017 to August 2019. She served as an assistant to the president and then the vice president of the energy finance department of Ping An Bank from August 2019 to August 2021, and as the deputy chief risk specialist of the special asset management department of Ping An Bank from August 2021 to May 2022. Ms. WANG has been serving as a non-executive director of China Fortune Land Development Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600340) since January 2023. Prior to joining Ping An Bank, Ms. WANG was a teacher at the School of Economics and Management of Tianjin Vocational Institute from August 1989 to April 2002. Ms. WANG has over 20 years of experience in corporate finance and financial management, risk management in asset, investment and financing. Ms. WANG obtained a degree of Bachelor in Law in July 1989 from China University of Political Science and Law, majoring in economic law. Ms. WANG obtained her Lawyers' Qualification Certificate of the People's Republic of China in September 1995.

Profile of Directors and Senior Management

Mr. LIU Feng

Independent non-executive Director

Mr. LIU, who was born in February 1966, has been an independent non-executive Director of the Company since June 2025. Mr. LIU served as a teaching assistant, lecturer, associate professor and professor in the Department of Accounting of Xiamen University from July 1987 to December 1999. He served as a professor and associate dean of the School of Business of Sun Yat-sen University, and concurrently served as the director of the Modern Accounting and Finance Research Center of Sun Yat-sen University from January 2000 to August 2010. Mr. LIU has been a professor and doctoral tutor at the Department of Accounting, School of Management, Xiamen University since September 2010. He is also the director of the Center for Accounting Studies of Xiamen University and the editor-in-chief of the professional academic journal Contemporary Accounting Review (《當代會計評論》). Mr. LIU currently serves as an independent director of Ping An Bank Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000001), Xiamen ITG Group Corp., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600755) and Luckin Coffee (China) Co., Ltd., a company quoted on OTC Markets (stock code: LKNCY). Mr. LIU served as an independent director of Fujian Aonong Biotechnology Group Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 603363) from October 2021 to December 2025. Mr. LIU is a recipient of the Special Government Allowance of the State Council, a National Pioneering Accounting Practitioner and a member of the Accountant Specialist Training Project of the Ministry of Finance. He is currently a member of the International Financial Reporting Standards Advisory Committee. Mr. LIU has over 35 years of experience in corporate governance, accounting theory and accounting standards research, as well as corporate auditing and tax management. Mr. LIU obtained a bachelor's degree in Economics (Accounting) and a PhD degree in Economics (Accounting) from Xiamen University in 1987 and 1994, respectively.

Mr. SUEN Man Tak

Independent non-executive Director

Mr. SUEN, who was born in June 1958, has been an independent non-executive Director of the Company since November 2020. He has extensive experience in the enforcement of securities and futures related legislation as well as commercial crime investigations. Mr. SUEN had served with the Securities and Futures Commission of Hong Kong for more than 17 years. He is now a practicing barrister-at-law specializing in litigation and advisory matters in relation to the Securities and Futures Ordinance, the Codes on Takeovers and Mergers and Share Buy-backs, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong, market misconduct, white collar crimes and anti-money laundering activities. Mr. SUEN served as an independent non-executive director of Zijin Mining Group Co., Ltd. (stock code: 02899) between December 2019 and December 2025, and an independent non-executive director of Sino-Ocean Group Holding Limited (stock code: 03377) between December 2015 and June 2023. Mr. SUEN served as an independent director of Inception Growth Acquisition Limited, a company listed on the NASDAQ Global Market (stock code: IGTAU), between December 2021 and March 2023. Mr. SUEN received his master's degree in accountancy from the Charles Sturt University, Australia in September 1996. He further obtained a degree of juris doctor in July 2010 and a postgraduate certificate in laws in July 2011, both from the City University of Hong Kong. He was called to the Hong Kong Bar in February 2013. Mr. SUEN has been a member of the Hong Kong Institute of Certified Public Accountants since July 1998 and a member of the Hong Kong Securities and Investment Institute since April 1999.

Profile of Directors and Senior Management

Mr. GAO Shibin

Independent non-executive Director

Mr. GAO, who was born in March 1964, has been an independent non-executive Director of the Company since November 2015. Mr. GAO is currently an independent consultant of enterprise strategy and investment expansion in the real estate field. Mr. GAO served as an independent non-executive Director of the Company from July 2007 to June 2011. Mr. GAO worked for Jones Lang LaSalle Beijing from April 2003 to May 2008 and was a national director before departure. He served as the managing director for China of Standard Chartered Asia Real Estate Fund Management Company from June 2008 to September 2009. He was the managing director of Tishman Speyer Properties and the general manager of its Beijing branch from October 2009 to October 2015. Mr. GAO worked as a project manager, a senior business manager and a senior investment manager for several investment and project management companies in the UK, Hong Kong and Canada between 1996 and 2003. Mr. GAO has nearly 30 years of experience in real estate development and investment, real estate finance and asset management. Mr. GAO obtained a bachelor's degree in Civil Engineering and a master's degree in Building Economics and Management from Tsinghua University in 1987 and 1989, respectively. He obtained his PhD degree in Property Development and Management from the University of Manchester in the UK in 1998. Mr. GAO is a member of the Royal Institution of Chartered Surveyors and an assessor of its membership qualification.

Mr. ZHONG Wei

Independent non-executive Director

Mr. ZHONG, who was born in February 1969, has been an independent non-executive Director of the Company since August 2020. Mr. ZHONG has been a professor of the department of finance of the Business School of Beijing Normal University since July 2003. Mr. ZHONG has been an independent non-executive director of China Resources Land Limited (stock code: 01109) since April 2017, an independent non-executive director of Seazen Group Limited (stock code: 01030) since December 2014, and an independent non-executive director of Yunnan Water Investment Co., Limited (stock code: 06839) since November 2020. Mr. ZHONG has over 20 years of experience in the areas of corporate governance, finance and real estate research. Mr. ZHONG obtained a bachelor's degree in science from the department of physics of Nanjing University in 1990, a master's degree in management engineering from the School of Economics and Management of Southeast University in 1994, a doctoral degree in economics from Beijing Normal University in 1999, and a post-doctoral degree in management science and engineering from Tongji University in 2004.

Profile of Directors and Senior Management

Mr. LIU Guanghua

Senior Vice President

Mr. LIU, who was born in March 1974, joined the Company in August 2015 as the secretary of the disciplinary committee, and has been a senior vice president of the Company since June 2021. Prior to joining the Company, Mr. LIU worked at Liaohe Oilfield Huayou Oil Company (遼河油田華油公司) and successively served as staff member, technician and deputy plant manager from July 1997 to September 2002. Mr. LIU joined Sinochem Group Co., Ltd. in July 2004 and has successively held various management positions in the human resources department of Sinochem Group, Sinochem Hebei Import & Export Company (中化河北進出口公司), Sinochem Quanzhou Petrochemical Co., Ltd. and Sinochem Hongrun Petrochemical Co., Ltd. (中化弘潤石油化工有限公司). Mr. LIU has extensive practical experience in strategic management, corporate operation and discipline inspection and supervision. Mr. LIU obtained a bachelor's degree in petroleum processing from Beijing Institute of Petrochemical Technology in July 1997 and a master's degree in business administration from Dalian University of Technology in July 2004.

Profile of Directors and Senior Management

Mr. LI Xing

Senior Vice President

Mr. LI, who was born in August 1979, joined the Company in March 2011 and has been a senior vice president of the Company since May 2025. From March 2011 to April 2020, Mr. LI has held various management positions, including Deputy General Manager and General Manager of the Company's Investment and Development Department, Deputy General Manager of Jinmao Lijiang Company and Jinmao East China Region, and General Manager of Jinmao Wenzhou. From April 2020 to July 2023, Mr. LI has served as an Assistant President of the Company, and the General Manager of Jinmao Southeast China Region. From July 2023 to May 2025, he served as the General Manager of Jinmao South China Region. Prior to joining the Company, Mr. LI worked as a senior planner in the urban planning consulting department of Atkins Consultant (Shenzhen) Co., Ltd. Beijing Branch. Mr. LI has extensive practical experience in real estate investment and development management. Mr. LI obtained a bachelor's degree in resource and environmental zoning and management from Beijing Normal University in July 2001, and a doctorate degree in cartography and geographic information systems from the Institute of Remote Sensing Applications, Chinese Academy of Sciences in July 2006.

Mr. LIAO Chi Chiun

Company Secretary

Mr. LIAO, who was born in January 1968, has been the Chief Accountant, Qualified Accountant and Company Secretary of the Company since March 2007. Prior to joining the Company, he served as an accountant of SEA Holdings Limited between 1997 and 2006. He has over 25 years of experience in Hong Kong and PRC accounting practice relating to property leasing and development. Mr. LIAO earned a BA (Hons) degree in Accounting from De Montfort University, England in 1995. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the HKICPA.

Corporate Governance Report

CODE ON CORPORATE GOVERNANCE

Since its establishment, the Company has been committed to enhancing the level of its corporate governance. The Company has adopted its own code on corporate governance which sets out all code provisions and most of the recommended best practices set out in the Corporate Governance Code in Appendix C1 to the Listing Rules (the "Corporate Governance Code"). The Company will continue to improve its corporate governance practices, focusing on maintenance and enhancement of the management quality of the Board, internal control and high transparency to shareholders, so as to increase the confidence of shareholders in the Company. The Company believes that good corporate governance is crucial to maintaining its long-term healthy and sustainable development and is vital for the interests of its shareholders.

In 2025, the Company complied with all provisions of its own code on corporate governance.

BOARD OF DIRECTORS

The Board is accountable to the shareholders and is responsible for the Group's overall development strategy, business decision-making, internal control and risk management system. In order to fulfil its responsibilities, the Board has established and adhered to explicit operating policies and procedures, reporting hierarchy and delegated authority. The management is authorised to handle the daily operations of the Group.

The Board is responsible for managing the overall business of the Company and overseeing the functions performed by the subordinate special committees. In particular, the internal control practices are mainly reflected in the following areas:

- management and monitoring of the Group's assets, liabilities, revenues and expenditures as well as making adjustments in areas critical to the Group's performance;

- strategic capital investments and new project investments – the implementation of stringent project review and approval process, purchasing and tendering procedures and diligent assessment of its implementation upon completion;

- financial and operational performance – through overall strategic planning, the implementation and maintenance of the effective financial management system and the improvement of the performance-driven operational monitoring system;

- management of relationship with stakeholders of the Company – through frequent communication with partners, governments, customers and other parties who have legal interests in the business of the Company;

- risk management – continuous risk management through review of the reports from the Audit and Risk Management Department to identify, evaluate and appropriately manage the risks faced by the Company; and

- corporate governance – formulation and review of the Company's corporate governance policies and practices; review and monitoring of the training and continuous professional development of Directors and senior management; review and monitoring of the Company's policies and practices in relation to compliance with laws and regulatory requirements; formulation, review and monitoring of the code of conduct for employees and Directors; as well as review of the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

With respect to Board diversity, the Directors have different professional backgrounds, providing professional advice to the Company in their respective areas of expertise. As of the date of this report, the Board consisted of the following eleven Directors. The term of office of each of the Directors is three years from their respective dates of appointment:

EXECUTIVE DIRECTORS

Mr. TAO Tianhai (Chairman)
Mr. ZHANG Hui (Senior Vice President)
Ms. QIAO Xiaojie (Chief Financial Officer)

NON-EXECUTIVE DIRECTORS

Mr. CUI Yan
Mr. LIU Wen
Mr. CHEN Yijiang
Ms. WANG Wei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Feng
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

At the annual general meeting of the Company held 17 June 2025, Mr. LIU Feng was elected as an independent non-executive Director of the Company; Mr. CHEN Yijiang was re-elected as a non-executive Director of the Company; and Mr. GAO Shibin was re-elected as an independent non-executive Director of the Company.

Mr. ZHANG Zenggen, having reached the retirement age, resigned as the Chairman of the Company, an executive Director, the chairman of the Strategy and Investment Committee and the chairman of the ESG Committee with effect from 11 March 2025. Mr. ZHANG has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders. On the same day, Mr. TAO Tianhai, an executive Director, was appointed by the Board as the Chairman of the Company, the chairman of the Strategy and Investment Committee and the chairman of the ESG Committee.

Corporate Governance Report

Mr. SU Xijia resigned as an independent non-executive Director, chairman of the Audit Committee, chairman of the Independent Board Committee, and a member of the Remuneration and Nomination Committee of the Company upon conclusion of the annual general meeting held on 17 June 2025 due to his other commitments which required more of his dedication. Mr. SU has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company. At the annual general meeting, Mr. LIU Feng was elected as an independent non-executive Director of the Company. He would also serve as chairman of the Audit Committee, chairman of the Independent Board Committee, and a member of the Remuneration and Nomination Committee. Mr. LIU Feng obtained the legal opinions as required by Rule 3.09D of the Listing Rules from the Company's Hong Kong legal advisor on 16 June 2025, confirming that he understood his responsibilities as a Director.

Mr. CHENG Yong resigned as a non-executive Director and a member of the Remuneration and Nomination Committee of the Company with effect from 21 April 2025, due to his other business commitments which required more of his dedication. Ms. CHEN Aihua resigned as a non-executive Director and a member of the Audit Committee of the Company with effect from 18 June 2025, due to her other business commitments which required more of her dedication. Mr. CHENG Yong and Ms. CHEN Aihua have both confirmed that they have no disagreement with the Board and there are no matters relating to their resignation that need to be brought to the attention of the shareholders of the Company. On 18 June 2025, Mr. CUI Yan was appointed by the Board as a non-executive Director, a member of the Remuneration and Nomination Committee and a member of the Strategy and Investment Committee of the Company, and Mr. LIU Wen was appointed by the Board as a non-executive Director and a member of the Audit Committee of the Company. Mr. CUI Yan and Mr. LIU Wen shall be subject to re-election by the shareholders at the 2025 annual general meeting of the Company. Mr. CUI Yan and Mr. LIU Wen obtained the legal opinions as required by Rule 3.09D of the Listing Rules from the Company's Hong Kong legal advisor on 17 June 2025, confirming that they understood their responsibilities as Directors.

On 15 August 2025, Mr. LIU Wen, a non-executive Director, has been appointed as a member of the Strategy and Investment Committee of the Company while Ms. QIAO Xiaojie, an executive Director, has ceased to be a member of the Strategy and Investment Committee.

As of the date of this report, the composition of the special committees under the Board of the Company is as follows:

Audit Committee: Mr. LIU Feng (Chairman), Mr. LIU Wen, Mr. CHEN Yijiang, Mr. SUEN Man Tak and Mr. GAO Shibin

Remuneration and Nomination Committee: Mr. ZHONG Wei (Chairman), Mr. LIU Feng, Mr. GAO Shibin, Mr. CUI Yan and Ms. WANG Wei

Strategy and Investment Committee: Mr. TAO Tianhai (Chairman), Mr. ZHANG Hui, Mr. CUI Yan, Mr. LIU Wen and Mr. GAO Shibin

Independent Board Committee: Mr. LIU Feng (Chairman), Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei

ESG Committee: Mr. TAO Tianhai (Chairman), Mr. ZHONG Wei and Mr. TIAN Jiupo

Other than disclosed above, there was no change in the Company's Directors during the Period under Review and as at the date of this report.

Biographical details of the Directors are set out from pages 73 to 83 of this report. The Board members have no financial, business, family or other material/relevant relationships with each other. The Company has arranged appropriate insurance coverage in respect of potential legal actions against its Directors and reviews the coverage of the insurance every year.

The Board has a balanced composition. Each Director possesses the knowledge, experience and expertise required for the business operation and development of the Group. All Directors are aware that they are severally and collectively accountable to the shareholders. They also fulfil their duties and responsibilities diligently to make contribution to the outstanding results of the Group.

The current non-executive Directors are not involved in the Company's daily management but they provide the Company with a wide range of expertise and experience. Their participation in the Board and the committee meetings brings independent judgment on issues relating to the Company's strategies, performance, conflicts of interest and management procedures, to ensure that adequate checks and balances are provided and the interest of all shareholders are taken into account. The Board believes that the balance between executive and non-executive Directors is reasonable and appropriate to safeguard the interests of shareholders, other related parties and the Group.

As at the end of the Reporting Period and the date of this report, the Company has four independent non-executive Directors in compliance with the requirements that the number of independent non-executive directors shall account for at least one-third of the members of the board and at least one of them shall have appropriate financial management expertise. Each independent non-executive Director has confirmed his independence to the Company, and the Company is of the view that these Directors are independent of the Company under the guidelines set out in Rule 3.13 of the Listing Rules.

The Directors have access to appropriate business documents and information about the Company on a timely basis. The Directors have free access to the management for enquiries and further information when necessary. All Directors and the special committees under the Board also have recourse to external legal counsels and other professionals for independent advice at the Company's expense as and when the need arises.

The Company believes that the composition of the Board of the Company (including the number and proportion of independent non-executive Directors), the channels for Directors to obtain information and resources, as well as the process of nomination of Directors and the implementation of the diversity policy of the Board (see the section headed "Rules for Nomination, Appointment, Re-election and Removal of Directors and Board Diversity" below for details) can ensure that the Board can obtain independent views and opinions.

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The Directors actively participate in continuous professional development, develop and refresh their knowledge and skills to ensure that their contributions to the Board remain informed and relevant. During the Reporting Period, each of the Directors participated in a number of external training and conferences, read books and related materials, etc. Every executive Director participated in the special training session "Strengthening Compliant Operations and Enhancing Corporate Risk Control Capabilities" held by Sinochem Holdings, and the special training sessions on "Open Courses on Reform and Development", "Industry Trends and Building Full-Chain Competitiveness", "Practice for Enhancing Organisational Capabilities Across the Entire Value Chain", and "New Trends and Suggested Responses in Company Law and Bankruptcy Law Practices" held by the Company. TAO Tianhai, being a Director, read books such as "Steve Jobs", "The Path to Capital Growth of Listed Companies" and "Residential Design and Practice with Open Building". QIAO Xiaojie, being a Director, attended the "2025 Third Financial Personnel Training (Chief Officer Class)" held by Sinochem Holdings. CUI Yan and LIU Wen, both being Directors, participated in the training programmes for newly appointed full-time external directors held by Sinochem Holdings, special training sessions organised by the SASAC including "Improving Market-Oriented Governance Mechanism and Enhancing Board Governance Effectiveness", "Building Boards of Directors of Listed Companies" and "Improving and Cultivating the Performance Capabilities of Directors of State-owned Enterprises", as well as the director guidance training provided by Jun He Law Offices, the Company's compliance advisor, etc. CUI Yan, being a Director, also attended a special training session for directors, supervisors and senior management of listed companies held by the Shandong Provincial Securities Regulatory Bureau. LIU Wen, being a Director, participated in a special training session "Major Risk Management from the Perspective of Directors" organised by the SASAC. WANG Wei, being a Director, participated in courses including "Analysis of Typical Cases of Illegal and Irregular Activities by Listed Companies (Illegal Share Reduction, Short-Swing Trading)" and "Interpretation and Performance Cases of the Guidelines for the Work of Audit Committees of Listed Companies" held by the China Association for Public Companies. CHEN Yijiang, being a Director, participated in special training sessions on "Reflections on the Situation and Tasks of the Insurance Asset Management Industry under the Background of a Financial Powerhouse", "Risk Management and Internal Control Compliance System Construction for Insurance Fund Utilisation under the New Situation" and "Exploring Best Practices in Insurance Asset-Liability Management under the New International Accounting Standards" held by the Insurance Association of China. LIU Feng, being a Director, presided over and participated in a series of academic lectures held by Xiamen University, with themes such as "Social Capital Theory and Research", "Entering the World of Artificial Intelligence" and "China Accounting Research: From Chinese Problems to Chinese Theories". He also gave a lecture on "Digitalisation and Finance: A New Perspective" and attended director induction training by the Company's compliance advisor, Jun He Law Offices. SUEN Man Tak, being a Director, participated in a keynote speech on the Hong Kong common law system at the opening ceremony of the 2025 Legal Year held by the Hong Kong Judiciary, a series of courses on continuing development of members organised by the Hong Kong Bar Association, and several thematic events at the KPMG Board Leadership Conference, covering topics such as hot business issues and trends, ESG and the Hong Kong capital market. GAO Shibin, being a Director, participated in the lectures and training sessions organised by Tsinghua University on topics including "Entrepreneurial Opportunities Brought to Us by DeepSeek", "Basic Systems and Policies for Real Estate Development", "Urban Renewal: Exploring Internal Driving Forces and Sustainable Models", "China's Infrastructure REITs Policies and Practices", "Revitalisation, Restructuring, and Value System Reshaping of Real Estate Projects from a Counter-Cyclical Perspective", and "From AI Ready to AI Inside: Exploring the Digital Transformation of Real Estate Enterprises". ZHONG Wei, being a Director, read books such as "The Operating Logic of Grassroots China", "The Hand of Money", "Money and Government" and "The Art of Economic Catching Up".

BOARD MEETINGS

The Board holds meetings regularly to review the financial performance of the Company, significant issues and other matters that require decisions of the Board.

The Company has made proper arrangements to give all Directors the opportunity to present matters for discussion in the agenda of each Board meeting. All Directors are given the meeting agenda and relevant documents prior to each Board meeting.

The Board office of the Company assists in preparing agenda for Board meetings and ensures that all applicable rules and regulations regarding the meetings are followed.

Apart from the consent obtained through circulation of 19 written resolutions to all Board members, during the Period under Review, the Board held four meetings, during which the Directors considered and approved various matters, mainly including the 2024 annual report, the 2025 interim report and the 2024 environmental, social and governance report of the Company, amendments to the Articles of Association, amendments to the governance rules of the Audit Committee, the Strategy and Investment Committee and the Remuneration and Nomination Committee, certain long-term authorisation adjustments and annual authorisation of domestic and foreign debt financing, strategy execution and investment plan for 2026, budget for 2026, changes in directors, appointment of senior vice president, six continuing connected transactions, etc. In addition, the Directors regularly review the relevant matters of corporate governance, including review of the Company's compliance with the policies and practices on laws and regulatory requirements, training and continuous professional development of Directors and senior management, code of conduct for employees and Directors and the Company's compliance with the Corporate Governance Code. Meeting and resolution participation of each Director during 2025 is set out below:

Position	Name	Meeting attended in person	Meeting attendance rate	Total number of resolutions	Resolution participation rate
Executive Director	Mr. ZHANG Zenggen*	0/0	/	2/2	100%
Executive Director	Mr. TAO Tianhai	4/4	100%	41/41	100%
Executive Director	Mr. ZHANG Hui	4/4	100%	41/41	100%
Executive Director	Ms. QIAO Xiaojie	4/4	100%	41/41	100%
Non-executive Director	Mr. CHENG Yong*	1/1	100%	9/9	100%
Non-executive Director	Ms. CHEN Aihua*	1/1	100%	17/17	100%
Non-executive Director	Mr. CUI Yan*	3/3	100%	20/20	100%
Non-executive Director	Mr. LIU Wen*	3/3	100%	20/20	100%
Non-executive Director	Mr. CHEN Yijiang	4/4	100%	41/41	100%
Non-executive Director	Ms. WANG Wei	4/4	100%	39/39	100%
Independent non-executive Director	Mr. SU Xijia*	1/1	100%	17/17	100%
Independent non-executive Director	Mr. LIU Feng*	3/3	100%	22/22	100%
Independent non-executive Director	Mr. SUEN Man Tak	4/4	100%	41/41	100%
Independent non-executive Director	Mr. GAO Shibin	4/4	100%	41/41	100%
Independent non-executive Director	Mr. ZHONG Wei	4/4	100%	41/41	100%

* Mr. ZHANG Zenggen resigned as a Director of the Company with effect from 11 March 2025.

Mr. CHENG Yong resigned as a Director of the Company with effect from 21 April 2025.

Ms. CHEN Aihua resigned as a Director of the Company with effect from 18 June 2025, and Mr. CUI Yan and Mr. LIU Wen were appointed as Directors of the Company on the same day.

Mr. SU Xijia resigned as a Director of the Company with effect from 17 June 2025, and Mr. LIU Feng was elected as a Director of the Company on the same day.

The Directors are given sufficient information both at meetings and at regular intervals so that they can maintain effective control over strategic, financial, operational, compliance and corporate governance issues. They also have unrestricted access to independent professional advice and the advice and services from the Company Secretary to ensure compliance with all procedures of the Board meetings. The Company Secretary keeps minutes of each meeting of the Board and the subordinate committees, which are available to all Directors for review at any time.

The Company continuously updates all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance with the requirements by the Directors, and to maintain good corporate governance practices.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

There is a clear division of these two positions of Chairman and Chief Executive Officer of the Company to ensure a balanced distribution of power and authority. The Chairman of the Company is responsible for leading and supervising the operation of the Board and providing leadership to the Board in terms of formulating overall strategies, business directions and policies of the Company. The Chairman of the Company also makes effective plans for Board meetings and ensures that the Board acts in the best interests of the Company and its shareholders. The Chief Executive Officer of the Company is directly responsible for the management of daily operation of the Company, formulation and execution of policies of the Company, and reports to the Board for the overall operation of the Company. The Chief Executive Officer also advises the Board on any significant developments and issues.

Mr. ZHANG Zenggen had served as an executive Director and the Chairman of the Company from 31 May 2023 to 11 March 2025. Mr. TAO Tianhai has been serving as an executive Director and the Chief Executive Officer of the Company since 28 April 2023, and then has been served as the Chairman and an executive Director of the Company since 11 March 2025. Following the resignation of Mr. ZHANG Zenggen, Mr. TAO Tianhai, the Chairman of the Company, has temporarily shouldered the work and responsibilities of the Chief Executive Officer during the transition period. In order to fully comply with the code provision C.2.1 of the Corporate Governance Code as soon as possible, the Company is committed to identifying a suitable candidate with appropriate professional qualifications or relevant expertise for appointment as the Chief Executive Officer wherever practicable.

RULES FOR NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS AND BOARD DIVERSITY

The Company has a set of formal, prudent and transparent procedures for the appointment and succession of Directors. According to the Articles of Association of the Company, a Director shall be appointed or removed by an ordinary resolution at the general meeting; the Board has the right to appoint any Director to fill a casual vacancy or appoint a new member to the Board, subject to re-election by the shareholders at the first annual general meeting immediately after the appointment. All Directors (including executive and non-executive Directors) of the Company are appointed for a term of three years. A Director may be re-elected at the general meeting after expiration of his/her term.

According to the Articles of Association of the Company, a Director shall be recommended by the Board or be nominated by any shareholder (other than the person to be nominated) of the Company who is entitled to exercise voting rights at a general meeting during the period from the date of despatch of the notice of the general meeting to 7 days before the date on which such general meeting is duly convened. The Remuneration and Nomination Committee of the Company will also provide advice to the Board in respect of the nomination. Qualifications and competence of the nominees should be taken into consideration during nomination.

To achieve sustainable and balanced development, the Company considers that having a diversified Board is crucial to fulfilling its strategic objectives and achieving sustainable development. In determining the composition of the Board, the Company seeks to achieve Board diversity through the consideration of a number of factors. 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. The selection of candidates by the Company is based on a number of criteria on diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. During the Reporting Period, the Remuneration and Nomination Committee made recommendations to the Board with respect to the re-election of Directors having due regard for the above diversity requirements. The Board reviewed the current composition of Board diversity and confirmed that the members of the Board of the Company have diversified backgrounds, professional experience and skills, including strategy and operations management, ESG, corporate and industry investment and financing, law, risk, internal control and compliance management, accounting, financial management and auditing, human resource management, innovation, R&D and digitalisation. The Board is committed to gender diversity of Board members. For appointment and re-appointment, the Remuneration and Nomination Committee also makes recommendations to the Board with respect to the appointment of Directors according to the diversity policy of the Company so as to promote gender diversity of Board members. There are two Directors of another gender, which achieves the objective of Board diversity and aligns the best interests of shareholders as a whole on an ongoing basis. For male and female employees who have the experience, skills and knowledge required for operations and business, the Group will provide comprehensive training, including but not limited to operations, management, accounting, finance, compliance, etc. The Board believes that the above strategies can provide opportunities for the Board to select capable female employees, which will further and simultaneously promote the gender diversity of the employees of the Company and the Board in the long run. For details on employee diversity during the Reporting Period, please refer to the section headed "Sustainable Development" on pages 58 to 69 of this report.

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During the Reporting Period, the diversity of the Board is set out below:

Age	
50 – 54	3 persons
55 – 59	5 persons
60 or above	3 persons

Term of directorship	
5 years or less	8 persons
more than 5 years – 10 years	2 persons
more than 10 years	1 person

Roles	
Executive Director	3 persons
Non-executive Director	4 persons
Independent non-executive Director	4 persons

Skills	Strategy and operations management/ ESG/director or senior management experience at large-scale enterprises	Corporate/ industry investment and financing expertise	Law/risk/ internal control/ compliance management	Accounting/ financial management/ auditing expertise	Human resource management expertise	Innovation, R&D/ digitalisation
Executive Directors						
Mr. TAO Tianhai	•	•	•		•	•
Mr. ZHANG Hui	•	•	•			•
Ms. QIAO Xiaojie	•	•	•	•		•
Non-executive Directors						
Mr. CUI Yan	•	•			•	
Mr. LIU Wen	•		•	•		
Mr. CHEN Yijiang	•	•		•		•
Ms. WANG Wei	•	•	•		•	
Independent non-executive Directors						
Mr. LIU Feng	•		•	•		
Mr. SUEN Man Tak	•		•	•		
Mr. GAO Shibin	•	•	•			
Mr. ZHONG Wei	•	•			•	
Ratio	**100%**	**73%**	**73%**	**45%**	**36%**	**36%**

RESPONSIBILITIES OF DIRECTORS

Each Director is required to keep abreast of his responsibilities as a Director and of the operation and business activities of the Company from time to time. Non-executive Directors have the same duties of care and skills as executive Directors.

The non-executive Directors of the Company have sufficient experience and talent and fully participate in the Board to fulfil the functions specified in the provisions C.1.2(a) to (d) of the Corporate Governance Code.

RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for the preparation of financial statements of each financial year, which give a true and fair view of the operating results and financial status of the Company. In preparing the financial statements, the Directors of the Company have selected and applied appropriate accounting policies, and have made prudent and reasonable judgments.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on page 145.

THE SPECIAL COMMITTEES UNDER THE BOARD

In order to review the specific matters, the Company has established five special committees under the Board, namely the Remuneration and Nomination Committee, the Audit Committee, the Independent Board Committee, ESG Committee and the Strategy and Investment Committee.

REMUNERATION AND NOMINATION COMMITTEE

As of the date of this report, the members of the Remuneration and Nomination Committee of the Company are Mr. ZHONG Wei, Mr. LIU Feng and Mr. GAO Shibin as independent non-executive Directors, and Mr. CUI Yan and Ms. WANG Wei as non-executive Directors. The chairman of the Remuneration and Nomination Committee is Mr. ZHONG Wei. Mr. SU Xijia has resigned as a member of the Remuneration and Nomination Committee on 17 June 2025, and Mr. LIU Feng has been appointed as a member of the Remuneration and Nomination Committee with effect from the same day. Mr. CHENG Yong has resigned as a member of the Remuneration and Nomination Committee on 21 April 2025, and Mr. CUI Yan has been appointed as a member of the Remuneration and Nomination Committee with effect from 18 June 2025.

The functions of the Remuneration and Nomination Committee include:

– to review the structure, size and composition of the Board at least annually based on the policy on Board diversity, to assist the Board in maintaining a board skills matrix, to consider candidates according to objective conditions (including the factors, such as skills, knowledge, experience, gender and age), and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

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- to examine the standards and procedures for selection of Directors and senior management and to make recommendations to the Board; to review the qualifications and abilities of candidates for directorship and senior management and to make recommendations to the Board;

- to assess the independence of the independent non-executive Directors;

- to support the Company's regular evaluation of the Board's performance;

- to make recommendations to the Board on the remuneration policies, share option/incentive schemes for Directors and senior management and on the establishment of formal and transparent procedures for developing such policies; and

- to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; to consult with the chairman and/or the chief executive on remuneration of the other executive Directors and to seek independent professional advices as and when necessary; and to make recommendations to the Board on the remuneration of non-executive Directors.

The Remuneration and Nomination Committee may seek professional advice if necessary and will be provided with sufficient resources to perform its duties.

In 2025, the Remuneration and Nomination Committee's nomination, appointment, determination of remuneration packages and approval of incentive proposals included the following:

- to strengthen and integrate the Company's human resources and improve its governance structure, after carefully reviewing the candidates' professional experience and skills and taking into account the resignation of Directors, nominated chairman and three new Directors and one senior management personnel, which was submitted to the Board for review and approval;

- assessed the performance of executive Directors;

- determined the remuneration packages of Directors and senior management based on the results performance of the Company and with reference to the market rates; and

- made recommendations to the Board with respect to the re-election of Directors according to the policies and procedures for nomination of Directors with due regards to election and recommendation criteria including gender, age, cultural and educational background, professional experience, skills and knowledge.

The Remuneration and Nomination Committee entered into 5 written resolutions in respect of the above matters in 2025. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. ZHONG Wei	5/5	100%
Independent non-executive Director	Mr. SU Xijia*	3/3	100%
Independent non-executive Director	Mr. LIU Feng*	2/2	100%
Independent non-executive Director	Mr. GAO Shibin	5/5	100%
Non-executive Director	Mr. CHENG Yong*	1/1	100%
Non-executive Director	Mr. CUI Yan*	1/1	100%
Non-executive Director	Ms. WANG Wei	5/5	100%

* Mr. SU Xijia resigned as a member of the Remuneration and Nomination Committee on 17 June 2025, and Mr. LIU Feng was appointed as a member of the Remuneration and Nomination Committee on the same day.

Mr. CHENG Yong has resigned as a member of the Remuneration and Nomination Committee with effect from 21 April 2025, and Mr. CUI Yan was appointed as a member of the Remuneration and Nomination Committee on 18 June 2025.

THE AUDIT COMMITTEE

The Audit Committee of the Company is responsible for communicating with management and internal and external auditors, as well as reviewing and overseeing the Company's financial reporting and audit procedures jointly with them. As of the date of this report, the members of the Audit Committee are Mr. LIU Feng, Mr. SUEN Man Tak and Mr. GAO Shibin as independent non-executive Directors, and Mr. LIU Wen and Mr. CHEN Yijiang as non-executive Directors. The chairman of the Audit Committee is Mr. LIU Feng. Mr. SU Xijia resigned as the chairman of the Audit Committee on 17 June 2025, and Mr. LIU Feng was appointed as the chairman of the Audit Committee on the same day. Ms. CHEN Aihua resigned as a member of the Audit Committee on 18 June 2025, and Mr. LIU Wen was appointed as a member of the Audit Committee on the same day.

All members of the Audit Committee have financial backgrounds, which enable them to precisely assess the financial conditions, compliance and risk exposure of the Company, as well as to impartially perform their duties and responsibilities.

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The functions of the Audit Committee include:

- to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to deal with any issues in respect of resignation or dismissal of the auditor;

- to discuss the nature and scope of the audit and the relevant reporting responsibilities with the external auditor before auditing, and to review and examine whether the external auditor is independent and objective and whether the audit procedures are effective according to applicable standards;

- to develop and implement policies on the engagement of external auditors for non-audit services, and report and make recommendations to the Board with respect to any actions to be taken or areas for improvement;

- to act as the key representative body for overseeing the Company's relations with the external auditor;

- to monitor the integrity of the Company's financial statements, reports and accounts, interim reports and quarterly reports (if any), and to review significant opinions regarding financial reporting contained therein, to consider any material matters or unusual matters that are reflected or are required to be reflected in such reports and accounts, and to consider any matters proposed by the person in charge of accounting and finance work, head of internal audit or auditor of the Company as appropriate;

- to be responsible for reviewing the Company's financial and accounting policies and practices; to review the external auditor's management letter; to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

- to be responsible for reviewing the financial control of the Company;

- to be responsible for discussing and reviewing with the management the effectiveness of the Company's risk management, internal control system, compliance management system and non-compliance recovery system, and to ensure that the management has performed its duty in establishing an effective system; to supervise the formulation and implementation of the internal audit system, to review and supervise the implementation of the annual internal audit plan and key internal audit tasks; to oversee the development and implementation of systems for project review and post investment project evaluation;

- to be responsible for discussing and reviewing with the management the Company's implementation of applicable laws, rules and regulations to ensure the effectiveness of the relevant internal control system and monitoring system;

- to be responsible for reviewing the implementation of resolutions of the Company's general meetings, resolutions of the Board and authorisations of the Board;

- on its own initiative or at the request of the Board, to conduct studies with the management on important audit conclusions and internal control investigations; and to inspect the rectification and implementation of problems identified by external audits, internal audits, State-owned Assets Supervision and Special Supervision and Inspection;

- to be responsible for making recommendations to the Board on the appointment and removal of the person in charge of the internal audit department; to ensure co-ordination of the work of the internal and external auditors; to ensure that the internal audit is adequately resourced and has appropriate standing within the Company; and to review and monitor the effectiveness of the internal audit;

- to ensure that the Company establishes and reviews a system of direct reporting by employees so that employees may raise concerns or complaints, in confidence, about possible improprieties in financial reporting, internal control or other matters;

- to have the right to investigate the Company's anomalies in such manner as it deems necessary and appropriate, with the right for the management to make appropriate arrangements for such matters, including conducting fair and independent investigations and taking appropriate actions, and to report to the Board and have the right to report to the state-owned controlling shareholders, as and when necessary;

- to require Directors and senior management to rectify any situation in which the performance of their duties is detrimental to the interests of the enterprise; Directors and senior management who have violated laws, administrative regulations, the state-owned assets supervision system, the Articles of Association of the Company, resolutions of the general meeting of shareholders and resolutions of the Board shall have the right to propose that they be held internally accountable, dismissed, or legally held accountable by way of litigation in accordance with the law;

- to exercise the powers and functions of the Board, propose resolutions and convene extraordinary general meetings when necessary in accordance with the Articles of Association of the Company.

In 2025, the financial reporting and control reviews undertaken by the Audit Committee included the following:

– reviewed the integrity and accuracy of the 2024 annual report, the 2025 interim report and formal announcements relating to the Group's financial performance;

– reviewed the 2025 work report and 2026 work plans for internal audit, internal control, compliance and risk management of the Company, confirmed the effectiveness of the internal audit and internal control functions, and carried out profound communication and discussion on strengthening penetrative and comprehensive supervision, giving full play to the role of the compliance system, risk management system, accountability system, and internal control system as the four pillars for the Board of Directors to prevent risks; and

– reviewed the annual pre-audit results, profit forecast, audit strategies and significant issues for 2025.

The Audit Committee held three meetings in 2025. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. SU Xijia*	3/3	100%
Independent non-executive Director	Mr. LIU Feng*	7/7	100%
Non-executive Director	Mr. CHEN Yijiang	10/10	100%
Non-executive Director	Ms. CHEN Aihua*	3/3	100%
Non-executive Director	Mr. LIU Wen*	7/7	100%
Independent non-executive Director	Mr. SUEN Man Tak	10/10	100%
Independent non-executive Director	Mr. GAO Shibin	10/10	100%

* Mr. SU Xijia resigned as the chairman of the Audit Committee on 17 June 2025, and Mr. LIU Feng was appointed as the chairman of the Audit Committee on the same day.

Ms. CHEN Aihua resigned as a member of the Audit Committee on 18 June 2025, and Mr. LIU Wen was appointed as a member of the Audit Committee on the same day.

The chief financial officer, the qualified accountant and the auditor of the Company attended all these meetings including the three meetings which reviewed the integrity and accuracy of the Company's 2024 annual report, 2025 interim report and formal announcements relating to the Group's financial performance.

INDEPENDENT BOARD COMMITTEE

During the Period under Review and as of the date of this report, the members of the Independent Board Committee of the Company are Mr. LIU Feng, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei. The chairman of the Independent Board Committee is Mr. LIU Feng. All members are independent non-executive Directors. Mr. SU Xijia resigned as the chairman of the Independent Board Committee on 17 June 2025, and Mr. LIU Feng was appointed as the chairman of the Independent Board Committee on the same day.

The functions of the Independent Board Committee include:

– to discuss whether to exercise the independent options granted by Sinochem Group to the Company pursuant to the Non-competition Undertaking dated 26 July 2007, and to discuss any business in connection with the Non-competition Undertaking or any redevelopment business in relation to the properties held by Sinochem Group, and any new business opportunities or property redevelopment opportunities of which the Company is notified by Sinochem Group in writing;

– to formulate and implement policies in relation to the appointment of an independent financial adviser or other professional advisers regarding the exercise of options and the pursuit of new business opportunities;

– for connected transactions and transactions subject to independent shareholders' approval under the Listing Rules, or spin-off listing arrangements subject to approval under the Listing Rules, to examine whether the terms thereunder are fair and reasonable, and in the interest of the Group and its shareholders as a whole, and to make recommendations to the Board; and

– to review continuing connected transactions every year and make confirmation in the annual reports and accounts of the Company.

The Independent Board Committee convened one meeting and entered into two written resolutions in 2025. It considered the independent option over Shimao Investment as granted by Sinochem Group, and resolved not to exercise the option over Shimao Investment for the time being and to make relevant disclosure in the 2024 annual report and 2025 interim report; confirmed various continuing connected transactions of the Company in 2024; listened to and considered the opinions of the independent financial advisor with respect to the continuing connected transactions regarding the secured loan services under the supplemental agreement II to the financial services framework agreement entered into with Sinochem Finance and the continuing connected transactions regarding the renewed financial services framework agreement entered into with Ping An member companies. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. SU Xijia*	2/2	100%
Independent non-executive Director	Mr. LIU Feng*	3/3	100%
Independent non-executive Director	Mr. SUEN Man Tak	5/5	100%
Independent non-executive Director	Mr. GAO Shibin	5/5	100%
Independent non-executive Director	Mr. ZHONG Wei	5/5	100%

* Mr. SU Xijia resigned as the chairman of the Independent Board Committee on 17 June 2025, and Mr. LIU Feng was appointed as the chairman of the Independent Board Committee on the same day.

STRATEGY AND INVESTMENT COMMITTEE

During the Period under Review and up to the date of this report, the members of the Strategy and Investment Committee of the Company are Mr. TAO Tianhai and Mr. ZHANG Hui as executive Directors, Mr. CUI Yan and Mr. LIU Wen as non-executive Directors, and Mr. GAO Shibin as independent non-executive Director. The chairman of the Strategy and Investment Committee is Mr. TAO Tianhai. Mr. ZHANG Zenggen resigned as the chairman of the Strategy and Investment Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the Strategy and Investment Committee on the same day. Mr. CUI Yan was appointed as a member of the Strategy and Investment Committee on 18 June 2025. Mr. LIU Wen was appointed as a member of the Strategy and Investment Committee on 15 August 2025, and Ms. QIAO Xiaojie ceased to serve as a member of the Strategy and Investment Committee on the same day.

The functions of the Strategy and Investment Committee include:

- to study and formulate the Company's growth strategies, annual executive plans and investment performance standards, and supervise and monitor the management's execution of the Company's growth strategies;

- to review the new project investment submitted by the management according to the Company's growth strategies, annual executive plans and investment performance standards;

- to study complex new investment projects requiring independent shareholders' approval, such as connected transactions, subsidiary spin-offs, mergers and acquisitions of listed companies, and privatisation of listed companies with shareholdings, and provide the Board with opinions on the feasibility of investments; and

- to review the proposed organisational structure of the Company's headquarters and its secondary units.

The Strategy and Investment Committee entered into 24 written resolutions in 2025. It considered and approved various issues, including a number of investment feasibility research reports, equity/assets acquisitions and disposals, etc. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Executive Director	Mr. ZHANG Zenggen*	4/4	100%
Executive Director	Mr. TAO Tianhai*	45/45	100%
Executive Director	Mr. ZHANG Hui	45/45	100%
Executive Director	Ms. QIAO Xiaojie*	26/26	100%
Non-executive Director	Mr. CUI Yan*	22/22	100%
Non-executive Director	Mr. LIU Wen*	19/19	100%
Independent non-executive Director	Mr. GAO Shibin	45/45	100%

* Mr. ZHANG Zenggen resigned as the chairman of the Strategy and Investment Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the Strategy and Investment Committee on the same day.

Mr. CUI Yan was appointed as a member of the Strategy and Investment Committee on 18 June 2025.

Mr. LIU Wen was appointed as a member of the Strategy and Investment Committee on 15 August 2025, and Ms. QIAO Xiaojie ceased to serve as a member of the Strategy and Investment Committee on the same day.

ESG COMMITTEE

During the Period under Review and up to the date of this report, the members of the ESG Committee of the Company are Mr. TAO Tianhai, an executive Director, Mr. ZHONG Wei, an independent non-executive Director, and Mr. TIAN Jiupo, chief product officer of the Company. The chairman of the ESG Committee is Mr. TAO Tianhai. Mr. ZHANG Zenggen resigned as the chairman of the ESG Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the ESG Committee on the same day.

The functions of the ESG Committee include:

– Responsible for formulating and regularly reviewing the Company's ESG vision, objectives, strategies and policies;

– Responsible for monitoring the Company's ESG risk management, material issues, target progress, and communication with stakeholders; and

– to review the Company's annual ESG report for the Board's consideration, approval and disclosure.

The ESG Committee may seek professional advice if necessary and will be provided with sufficient resources to perform its duties.

The ESG Committee entered into 1 written resolution in 2025. It considered and approved issues, including the 2024 environmental, social and governance report, ESG-related policy documents and ESG management improvement report of the Company. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Executive Director	Mr. ZHANG Zenggen*	0/0	–
Executive Director	Mr. TAO Tianhai*	1/1	100%
Independent non-executive Director	Mr. ZHONG Wei	1/1	100%
Chief product officer	Mr. TIAN Jiupo	1/1	100%

* Mr. ZHANG Zenggen resigned as the chairman of the ESG Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the ESG Committee on the same day.

EXTERNAL AUDITOR

In 2025, the remuneration paid or payable to the Company's auditor, Ernst & Young, for the audit and non-audit services amounted to HK$9,500,000 and HK$3,197,500, respectively. The fees for non-audit services were mainly in relation to the fees for the review services on the interim financial reports, the services on continuing connected transactions and other professional services.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms that it shall take responsibilities for the risk management and internal control systems and is responsible for reviewing the effectiveness of such systems. In 2025, the Directors and the Audit Committee of the Company respectively listened to the special reporting on the Company's internal and external audit, the internal control and risk management work summary report, and continued to communicate directly with the personnel from the finance department, the internal audit department, the legal and compliance department and the strategic operations department with respect to key tasks including evaluating the effectiveness of the Company's risk management, operations and compliance management, financial management and internal control systems, and made specific guiding opinions and requirements.

The Company has in place comprehensive internal audit functions and, through its internal audit department, conducts regular audits, including annual financial accountability audit and special audit where the scope of audits covers all aspects including the execution of the Group's internal regulations and procedures, finance, cost, tender and procurement, project quality, strategic operations, marketing, design, customer service and HSE management to prevent assets from inappropriate use. The Company also maintains proper accounts and ensures that relevant regulations are complied with. In 2025, the internal audit department of the Company continuously optimised the internal audit system and enhanced the team's professional capabilities by revising and improving existing systems, adding 4 new management systems, and conducting 12 targeted training sessions; carried out 1 financial accountability audit, special audit and 7 post-evaluation audits, assisting the compliant operations of the Company. The above measures aim to manage but not eliminate relevant risks and the above measures can only provide reasonable but not absolute assurance to the achievement of business objectives.

The Company has formulated a complete system concerning risk identification, assessment and management, and constantly made amendments and updates to the system. Various departments at the headquarters are responsible for executing the professional risk assessment, management and monitoring procedures, including 76 management standards and 145 management rules in 16 categories on integrated management, human resources management, strategic operation and management, financial fund management, investment management, design management, cost management, tender and procurement management, marketing management, customer relationship management, HSE management, engineering management, asset management, audit and legal affairs management, party and masses management and discipline inspection management which comprehensively cover various risks associated with business and development of the Company. In addition, environmental, social and governance risks are also one of the important risk categories that the Company pays attention to in its comprehensive risk management system. The identified risk issues including bribery and corruption, business ethics, product quality and safety, occupational health and safety, responsible marketing, etc. are included in the Company's overall risk assessment and monitoring process.

The Company has in place a regulated, sound and effective internal control system. The headquarters of the Company is responsible for making annual amendments to the organisational structure, the accountability system and institutional documents on a rolling basis, and optimising the management hierarchy and approval procedures. In 2025, to align with organisational restructuring and implement comprehensive management and operational control requirements, the Company conducted a centralised revision of its system documents and revised the terms of accountabilities 4 times. At the same time, it endeavours to strengthen the IT system development, enhance the process monitoring and risk management in the course of business execution, and continuously improve the internal control system. In 2025, the executive Directors approved for 6,340 times in the whole execution process of management approval and supervision at the Company's headquarters, all of which were completed through the informatised system. In addition to regular internal audit and inspection of the accountability system by the internal audit department of our headquarters to ensure that the internal control system of the Company is in smooth operation as a whole, all the companies under the Group also regularly implement self-examination of the internal control system as part of their routine internal control efforts. In addition, the routine control measures also include the following: i) professional committees comprising the senior management and the relevant persons-in-charge from the headquarters' functional departments of the Company are established by the Company to regularly review the management of internal controls of the Company, such as budget management, operation, quality and safety, investment as well as customer and product research, centralised purchasing and procurement, risk management and supervision coordination, and to report to the senior management, and to decide and account for the same. In 2025, the seven professional committees of the Company proposed 283 resolutions at regular and ad hoc meetings to consider and approve the enhancement initiatives for the management of a number of professional line functions and the decisions on key achievements of projects; ii) evaluation of the Group's comprehensive operation progress, operating results, strategic progress and performance is carried out by the strategic operations department of the headquarters on a monthly, quarterly, semi-annual and annual basis, the reports of which are subject to the collective review and approval by the management of the Company. The supervision list of key matters is distributed to the relevant subordinate units for implementation and rectification within a specified period. This forms an efficient internal control feedback mechanism of the Company. The internal control system of the Company fully covers the major matters of the Company's operations and high risk areas that draw close attention, such that any material risks and deficiencies can be evaluated, supplemented and rectified in a timely manner.

After careful evaluation, the Directors of the Company all consider that the Group's existing risk management and internal control system is effective and adequate.

CORPORATE CULTURE

The Company has formulated a corporate culture that is consistent with long-term development goals, values and strategies, including the corporate vision of unleashing the future vitality of the city, the corporate mission of building quality for better life; and the internal values and behaviour requirements of honesty and cooperation, customer orientation, entrepreneurship and innovation, and pursuit of excellence. Directors have always set a role model and are committed to the promotion and implementation of corporate culture. During the Reporting Period, centring around the theme of "Vitality", organisations at all levels of the Company carried out a variety of corporate culture-themed activities combined with actual business operations. Upholding the propaganda mission of "raising the banner, gathering people's hearts, cultivating new talents, invigorating culture, and displaying image", the Company created a cultural atmosphere of technology innovation, excellent operation, synergistic development, compliant operation and anti-corruption through various evaluation and sharing activities, effectively enhancing the cohesion and working strength of all employees of the Company.

INSIDE INFORMATION

The Company has taken prudent measures in handling inside information, for which the Company has formulated effective confidentiality systems and measures, such as the formulation of the "Board Performance Support and Listing Compliance Management Standards of China Jinmao" (《中國金茂董事會履職保障及上市合規管理制度》), which provides in detail that inside information shall be kept strictly confidential prior to public disclosure, among which the personnel who have access to inside information must ensure confidentiality of the information, and should not, in any manner, divulge the information of the Company to external parties without authorisation. Besides, consultants and intermediaries engaged by the Company shall enter into strict confidentiality agreements with the Company to ensure the inside information is properly handled. At the same time, to ensure the inside information is disclosed in a timely and proper manner, any matters that constitute inside information must be first reviewed by the compliance officers and investor relations officers of the Company and obtain consent from the relevant executive Directors before due disclosure.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules to regulate directors' securities transactions. Having made specific enquiries to all Directors, all Directors have confirmed that they have complied with the requirements set out in the Model Code for the year ended 31 December 2025.

All employees of the Group shall comply with the "Board Performance Support and Listing Compliance Management Standards of China Jinmao" formulated by the Company with reference to the requirements under Appendix C3 of the Listing Rules in their dealings in the securities of the Company.

RIGHTS OF SHAREHOLDERS

Shareholders have the right to raise questions and make suggestions on the business of the Company. All shareholders shall have equal rights according to their respective shareholding and assume corresponding obligations. Shareholders are entitled to get access to and participate in the material matters of the Company as prescribed by laws, administrative regulations and the Articles of Association of the Company.

MOVING A RESOLUTION AT AN ANNUAL GENERAL MEETING

Pursuant to Section 615 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), a shareholder may submit a written requisition to move a resolution at an annual general meeting if it has received requests that it do so from:

(a) the members of the Company representing at least 2.5% of the total voting rights of all the members who have a right to vote on the resolution at the annual general meeting to which the requests relate; or

(b) at least 50 members who have a right to vote on the resolution at the annual general meeting to which the requests relate.

A request –

(a) may be sent to the Company in hard copy form or in electronic form;

(b) must identify the resolution of which notice is to be given;

(c) must be authenticated by the person or persons making it; and

(d) must be received by the Company not later than –

(i) six weeks before the annual general meeting to which the requests relate; or

(ii) if later, the time at which notice is given of that meeting.

PROPOSING A CANDIDATE FOR ELECTION AS A DIRECTOR

Pursuant to paragraph (2)(b) of Article 77 of the Articles of Association of the Company, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should give the Company Secretary a written notice of his intention to propose a resolution for the appointment or reappointment of the person as a Director of the Company and a notice executed by that person of his willingness to be appointed or re-appointed, no earlier than the day after the despatch of the notice of the general meeting and no later than seven days prior to the date fixed for such general meeting.

CONVENING A GENERAL MEETING

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), a general meeting may be called upon if the company has received requests to do so from members of the company representing at least 5% of the total voting rights of all the members having a right to vote at general meetings.

(a) A request –

(i) must state the general nature of the business to be dealt with at the meeting; and

(ii) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting;

(b) Requests may consist of several documents in like form; and

(c) A request –

(i) may be sent to the Company in hard copy form or in electronic form; and

(ii) must be authenticated by the person or persons making it.

SHAREHOLDERS' ENQUIRIES TO THE BOARD

Enquiries from shareholders to the Board may be directed to us by the means as stated in the section under "Corporate Information" in this report.

GENERAL MEETING

The Company maintains and facilitates exchange and communication between shareholders and the Board through a number of communication methods, including general meetings, announcements and circulars to shareholders, interim reports and annual reports, as well as the official website. Shareholders may send relevant questions or information and their contact details to the Investor Relations mailing address published on the Company's official website if they have any opinions or suggestions on the Company. The Investor Relations Department of the Company is responsible for contacting and giving feedback to shareholders in a timely manner. The Company uses its best endeavours to listen, understand and respond to shareholders' feedback. The Directors have reviewed the implementation and effectiveness of the communication policy with the shareholders and investors (the "Communication Policy"). Having considered the multiple channels of communication in place, the Board is satisfied that the Communication Policy has been properly implemented for the year ended 31 December 2025 and is effective.

The Company held an annual general meeting on 17 June 2025, which considered and approved the audited financial statements, the report of the Directors and the auditor's report for the year ended 31 December 2024; re-elected Mr. CHEN Yijiang and Mr. GAO Shibin as Directors of the Company; elected Mr. LIU Feng as an independent non-executive Director of the Company; authorised the Board of the Company to determine the remuneration of Directors of the Company; re-appointed Ernst & Young as the auditor of the Company and authorised the Board to determine its remuneration; considered and approved the general mandate to issue shares and repurchase shares; and approved and adopted the new Articles of Association. Save for Mr. SU Xijia, being an independent non-executive Director, who was unable to attend the meeting due to other business commitments, all of the remaining Directors attended the annual general meeting.

The Company held an extraordinary general meeting on 19 November 2025, which considered and approved the secured loan services and the maximum daily balance of deposits (including accrued interests) contemplated under the supplemental agreement II to the financial services framework agreement between the Company and Sinochem Finance Co., Ltd.; and the deposit services, loan services and financing factoring services (including the respective maximum daily balance) contemplated under the Renewed Ping An Financial Services Framework Agreement. All Directors attended the extraordinary general meeting.

Report of the Directors

The Board presents its report and the audited financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and the principal activities of its subsidiaries are focusing on residential and integrated property development, hotel operations, retail operations, commercial leasing, property services, construction technology, urban agent construction and urban renewal. Details of the subsidiaries of the Company are set out in note 1 to the financial statements.

BUSINESS REVIEW

For details of the business operations, future business development and major risks faced by the Company during the Reporting Period, please refer to the section headed "Chairman's Statement" from pages 6 to 8, and the section headed "Management Discussion and Analysis" from pages 10 to 57 in this report.

For details of the environmental policies and performance of the Company during the Reporting Period, please refer to the section headed "Sustainable Development" from pages 58 to 69 in this report.

For details of the material relationship between the Company and its employees, customers, suppliers and other persons of significant influence to the Company during the Reporting Period, please refer to the section headed "Sustainable Development" from pages 58 to 69 in this report. The above discussion forms part of the Report of the Directors.

Taking into account the laws, regulations, policies and documents that have a material impact on the business of the Company, including but not limited to the "Civil Code of the People's Republic of China", the "Land Administration Law of the People's Republic of China", the "Urban Real Estate Administration Law of the People's Republic of China", the "Bidding Law of the People's Republic of China", the "Measures on the Administration of Sale of Commodity Houses", the "Company Law of the People's Republic of China" and foreign-invested related laws and regulations, as well as the documents issued by relevant government authorities from time to time including the State Administration of Foreign Exchange, the Ministry of Housing and Urban-Rural Development, the Ministry of Finance, the China Securities Regulatory Commission and the People's Bank of China (the "PBOC"), the Company confirmed that, during the Reporting Period, there were no circumstances of material administrative punishments or inspections by relevant government authorities as a result of violation of laws, regulations, policies and documents that have material impact on the business of the Company, and the Company and its subsidiaries were in compliance with all applicable laws and regulations. The Company has formulated the comprehensive administration standards and approval procedures for legal affairs and continued to revise them for improvement. In 2025, the legal department of the Company's headquarters promoted the implementation of a monthly and quarterly compliance reporting mechanism, and regularly investigated and tracked compliance risk events to prevent and identify legal and compliance risks. The Group organised 20 special training sessions on legal and compliance risks, and organised all employees to sign the compliance commitment letter, covering 8,343 people; through the standardised process settings of the network office automation platform, it ensured a 100% legal review rate for major business decisions, contracts and systems; it

revised 13 standard contract texts and model clauses, and issued 2 key points for legal and compliance review of key businesses, so as to ensure continuously effective operation of the legal risk prevention and control system of the Company by making sure that the employees of the Company are aware of and in compliance with the relevant laws and regulations, related major risks and solutions when discharging their duties.

RESULTS AND DIVIDENDS

Details of the Group's results for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss on page 151 of this report.

The dividend distribution policy of the Company is to distribute dividend to its shareholders when the Group records profit for a financial period. The dividend to be distributed to shareholders will be determined based on the profit attributable to owners of the parent (net of fair value of investment properties (net of deferred tax), and net of the profit attributable to owners of the parent attributable to perpetual capital instruments) for that period, multiplied by a dividend distribution ratio of around 40%. In determining the specific dividend distribution ratio, the Board will take into account the financial performance, cash flow, paid special dividends (if any) and capital commitments, etc. of the Group.

On 26 August 2025, the Board resolved to make payment of an interim dividend of HK3.0 cents per share to the shareholders of the Company and provide a scrip dividend arrangement to the shareholders in respect of such dividend distribution. Such dividend, including the new shares issued pursuant to the scrip dividend arrangement, was paid and distributed on 31 October 2025.

The Board resolved not to declare payment of a final dividend for the year ended 31 December 2025.

SHARES, PAID-UP SHARE CAPITAL AND SHARE OPTIONS

As at 31 December 2025, the total issued shares of the Company were 13,512,466,348 ordinary shares.

Details of movement in the Company's paid-up share capital and share options in 2025 are set out in notes 38 and 39 to the financial statements, respectively.

RESERVES

Movements in reserves of the Company and of the Group in 2025 are set out in note 40 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of Sections 291, 297 and 299 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), amounted to RMB0.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to major customers and purchases from major suppliers of the Group in the Year are set out below:

	For the year ended 31 December 2025 Percentage of total turnover (%)
Five largest customers	2.66
The largest customer	0.80

	Percentage of total purchase (%)
Five largest suppliers	9.77
The largest supplier	3.66

The above five largest customers and suppliers of the Group are independent third parties. To the best knowledge of the Directors, none of the Directors of the Company or any of their close associates or any shareholders who own more than 5% of the Company's shares had any interest in the Group's five largest customers or five largest suppliers.

BANK AND OTHER BORROWINGS

Particulars of the bank and other borrowings of the Company and the Group as at 31 December 2025 are set out in note 34 to the financial statements.

CHARITABLE DONATIONS

During the Year, the Company donated a total of approximately RMB11.3 million for public welfare including science, education, culture, health and sports, environmental protection, energy conservation and emission reduction as well as targeted poverty alleviation.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movement in the property, plant and equipment and investment properties of the Group during the Year are set out in notes 14 and 18 to the financial statements.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 280 of this report. The summary does not form part of the audited financial statements.

DIRECTORS OF THE LISTED COMPANY AND ITS SUBSIDIARIES

During the Year and up to the date of this report, the Directors of the Company include:

Executive Directors

Mr. ZHANG Zenggen (resigned on 11 March 2025)
Mr. TAO Tianhai (appointed as the Chairman on 11 March 2025)
Mr. ZHANG Hui
Ms. QIAO Xiaojie

Non-executive Directors

Mr. CHENG Yong (resigned on 21 April 2025)
Ms. CHEN Aihua (resigned on 18 June 2025)
Mr. CUI Yan (appointed on 18 June 2025)
Mr. LIU Wen (appointed on 18 June 2025)
Mr. CHEN Yijiang
Ms. WANG Wei

Independent non-executive Directors

Mr. SU Xijia (retired on 17 June 2025)
Mr. LIU Feng (appointed on 17 June 2025)
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

During the Year and up to the date of this report, the list of directors of the Company's subsidiaries is published on the website of the Company at www.chinajinmao.cn.

DIRECTORS' SERVICE CONTRACTS

As at 31 December 2025, none of the Directors had a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

SENIOR MANAGEMENT

Biographical details of the current senior management of the Company are set out on pages 84 to 85 of this report.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors' remuneration is determined by reference to Directors' duties and responsibilities, individual performance and the results of the Group.

For the year ended 31 December 2025, the annual remuneration of 3 of the executive Directors and other members of senior management of the Company fell within the band of below HK$2.5 million and the annual remuneration of 4 of them fell within the band of HK$2.5 million to HK$4 million. Details of the remuneration of the Directors and senior management of the Company are set out in notes 9, 10 and 47 to the financial statements. There was no arrangement under which a Director waived or agreed to waive any remuneration during the Year.

DIRECTORS' INTERESTS IN COMPETITIVE BUSINESSES

As far as the Directors are aware, none of the Directors or any of their respective close associates had any interests in any business apart from the Group's business that competes or is likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2025.

DIRECTORS' (OR THEIR CONNECTED ENTITIES') INTEREST IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors (or their connected entities) was materially interested, directly or indirectly, in any transactions, arrangements or contracts of significance entered into by the Company or its controlling shareholders or any of their respective subsidiaries as at 31 December 2025 or at any time during the Year. The Company did not provide any loan to any of the Directors or the management personnel of the Company during the Year.

DIRECTORS' RIGHTS TO SUBSCRIBE FOR SHARES

Save as disclosed in the section headed "Share Option Scheme" under the "Report of the Directors" in this report, no arrangements to which the Company or its controlling shareholders or any of their respective subsidiaries is a party, whose purposes are, or one of whose purposes is, to enable any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, subsisted as at 31 December 2025 or at any time during the Year.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance coverage in respect of legal actions against its Directors, which was in force during the Year and up to the date of this report.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Sinochem Holdings is the ultimate controlling shareholder of the Company. The contracts of significance entered into between Sinochem Holdings or its subsidiaries and the Company or its subsidiaries are mainly agreements of connected transactions and continuing connected transactions conducted between them, as detailed in sections headed "Connected Transactions", "Continuing Connected Transactions" below.

Sinochem Group is a wholly-owned subsidiary of Sinochem Holdings and an indirect controlling shareholder of the Company. Details of the agreement of the Non-competition Undertaking entered into between Sinochem Group and the Company on 26 July 2007 are set out in "Compliance with Non-Competition Agreement" below.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

Sinochem Group and the Company entered into an agreement of the Non-competition Undertaking on 26 July 2007. Sinochem Group has provided a written confirmation stating that Sinochem Group and its subsidiaries (other than those which form part of the Group) complied with their obligations under the Non-competition Undertaking during 2025.

EMPLOYEES AND REMUNERATION POLICIES

For details regarding the employees and remuneration policies of the Group during the Year, please refer to the section headed "Sustainable Development" on pages 58 to 69 of this report.

RETIREMENT SCHEMES

The Group contributes on a monthly basis to various defined contribution retirement benefit schemes (the "Retirement Schemes") administrated and organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to pay retirement benefits under the Retirement Schemes to employees when they retire, and the Group is not required to provide other post-retirement benefits to the employees, except for the contributions made under the Retirement Schemes.

The Group also participates in a mandatory provident fund scheme (the "MPF Scheme") required by the government of Hong Kong, which is a defined contribution retirement benefit scheme. Contributions to these schemes are expenses as incurred.

Neither the Retirement Schemes nor the MPF Scheme has any requirement concerning forfeited contributions.

Contributions to the retirement benefit schemes by the Group for the year ended 31 December 2025 were RMB193,412,000.

MANAGEMENT CONTRACT

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

SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 November 2007 (the "2007 Scheme"), which has expired on 21 November 2017. On 29 January 2019, the Company convened an extraordinary general meeting, and approved and adopted a new share option scheme (the "New Scheme"), the purpose of which is to enhance the commitment of the participants to the Company and encourage them to pursue the objectives of the Company.

According to the terms of the New Scheme, the Board shall at its absolute discretion grant to any participant a certain number of options at any time within 10 years after the approval date of the New Scheme. Participants, i.e. recipients of the options granted, include any existing executive or non-executive Directors of any member of the Group and any senior management, key technical and professional personnel, managers and employees of any member of the Group, but do not include any independent non-executive Directors of the Company. As at the end of the Reporting Period, the remaining life of the New Scheme is approximately three years.

The number of shares to be issued at any time upon exercise of all options granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the then issued shares of the Company. Accordingly, the Company may issue up to 1,155,352,832 shares to the participants under the New Scheme, representing 8.55% of the issued shares of the Company as at the date of this report.

Unless an approval of shareholders is obtained at a general meeting, if the total number of shares issued and shares which may fall to be issued upon exercise of the share options (including exercised, cancelled and outstanding share options) granted under the New Scheme and any other share option schemes of the Company to a participant in any 12-month period in aggregate exceeds 1% of the issued shares of the Company at any time, no further share options shall be granted to such participant. Upon acceptance of the grant, the grantee undertakes that he/she will, at the request of the Company, pay a consideration of HK$1 or equivalent (to be determined on the date when the offer of the grant is accepted) to the Company for acceptance of the offer of the grant of the share option. The offer of the grant of the share option may be accepted within a 28-day period from the offer date, provided that the grantee accepts the offer within the specified 28-day period and pays an amount of HK$1 or equivalent (based on the date of acceptance of the offer of the grant of the share option).

The share options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the date of grant, subject to the vesting conditions and early termination provisions as set out in the New Scheme and the share option grant letter. The exercise price of share options shall be the higher of (i) the closing price of the Company's shares on the Hong Kong Stock Exchange on the date of grant of the share options; and (ii) the average closing price of the Company's shares on the Hong Kong Stock Exchange for the five trading days immediately preceding the date of grant.

More details of the 2007 Scheme and the New Scheme are set out in note 39 to the financial statements.

GRANT AND EXERCISE OF SHARE OPTIONS

On 8 February 2019, the Company granted 265,950,000 share options to eligible participants pursuant to the New Scheme and the exercise price was HK$3.99 per share, being the closing price per share on the Hong Kong Stock Exchange on the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the grant date. The share options shall only vest if the pre-set performance targets of the Group and the grantees are achieved. In particular, (i) in respect of the performance of the Group, the return on equity attributable to the parent company, the growth rate of net profit attributable to the parent company and the working capital turnover ratio of the Company for the financial year immediately preceding each effective year shall not be lower than the specified target value and not lower than the 75th percentile of the selected comparable companies for the same period; (ii) in respect of the individual performance assessment of the grantees, if the performance assessment result of the previous year for each effective year is B or above, such batch of options shall become 100% vested on the grantees, and if the result is B-, such batch of options shall become 80% vested on the grantees. The share options shall lapse unless all the aforesaid targets have been achieved.

On 26 August 2019, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016 (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to 1) the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012); 2) results of performance assessment of the grantees in 2018; 3) the "Explanation on the Fulfilment of Conditions of the Second Batch of Share Options Granted by China Jinmao (2016) for the Third Time (based on the 2018 performance)" provided by the external independent professional advisor (in particular, 11 comparable companies were selected based on factors such as similar nature of principal business and company, continuous operation and consistency of listing place, and in accordance with their publicly disclosed financial statements (after making necessary adjustments to the incomparable information (if any)), the comparison results of the relevant performance of the Group and the comparable companies were then calculated); and 4) a breakdown of the final vesting of this batch of options for all the grantees based on the above three documents.

On 9 September 2019, the Company granted in a total of 9,000,000 share options to Mr. LI Congrui, Mr. JIANG Nan and Mr. SONG Liuyi, the then-executive Directors of the Company, pursuant to the New Scheme and the exercise price was HK$4.58 per share, being the closing price per share on the Hong Kong Stock Exchange on the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the date of grant. The share options shall only vest if the pre-set performance targets of the Group and the grantees are achieved. In particular, (i) in respect of the performance of the Group, the return on equity attributable to the parent company, the growth rate of net profit attributable to the parent company and the working capital turnover ratio of the Company for the financial year immediately preceding each effective year shall not be lower than the specified target value and not lower than the 75th percentile of the selected comparable companies for the same period; (ii) in respect of the individual performance assessment of the grantees, if the performance assessment result of the previous year for each effective year is B or above, such batch of options shall become 100% vested on the grantees, and if the result is B-, such batch of options shall become 80% vested on the grantees. The share options shall lapse unless all the aforesaid targets have been achieved.

On 5 August 2020, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016, 8 February 2019 and 9 September 2019, respectively (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to 1) the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012); 2) results of performance assessment of the grantees in 2019; 3) the "Explanation on the Fulfilment of Conditions of the Third Batch of Share Options Granted by China Jinmao (2016) (based on the 2019 performance) and Breakdown of the Release" and the "Explanation on the Fulfilment of Conditions of the First Batch of Share Options Granted by China Jinmao (2019) (based on the 2019 performance) and Breakdown of the Release" provided by the external independent professional advisor (in particular, 11 comparable companies were selected based on factors such as similar nature of principal business and company, continuous operation and consistency of listing place, and in accordance with their publicly disclosed financial statements (after making necessary adjustments to the incomparable information (if any)), the comparison results of the relevant performance of the Group and the comparable companies were then calculated); and 4) a breakdown of the final vesting of the aforesaid batches of options for all the grantees based on the above three documents.

On 10 March 2022, the Remuneration and Nomination Committee of the Board of the Company approved the lapsing on a pro rata basis of up to one-third of the share options granted by the Company on 8 February 2019 and 9 September 2019, respectively, which were no longer vested in the grantees and cancelled, according to 1) the New Scheme; 2) results of performance assessment of the grantees in 2020; 3) the "Explanation on the Failure to Fulfil Conditions of the Second Batch of Share Options Granted by China Jinmao (2019) (based on the 2020 performance)" provided by the external independent professional advisor.

On 8 December 2022, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 8 February 2019 and 9 September 2019, respectively (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to 1) the New Scheme; 2) results of performance assessment of the grantees in 2021; 3) the "Explanation on the Fulfilment of Conditions of the Third Batch of Share Options Granted by China Jinmao (2019) (based on the 2021 performance)" provided by the external independent professional advisor (in particular, 10 comparable companies were selected based on factors such as similar nature of principal business and company, continuous operation and consistency of listing place, and in accordance with their publicly disclosed financial statements (after making necessary adjustments to the incomparable information (if any)), the comparison results of the relevant performance of the Group and the comparable companies were then calculated); and 4) a breakdown of the final vesting of this batch of options for all the grantees based on the above three documents.

On 10 March 2023, the Remuneration and Nomination Committee of the Board of the Company approved the lapsing on a pro rata basis of up to one-third of the share options granted by the Company on 8 February 2019 and 9 September 2019, respectively, which were no longer vested in the grantees and cancelled, according to 1) the New Scheme; 2) results of performance assessment of the grantees in 2021; 3) the "Explanation on the Failure to Fulfil Conditions of the Third Batch of Share Options Granted by China Jinmao (2019) (based on the 2021 performance)" provided by the external independent professional advisor.

At the beginning and the end of the Reporting Period, the number of share options that may be granted by the Company under the New Scheme was 1,048,494,832 and 1,057,578,832, respectively. During the Reporting Period, the Company did not grant any share options. Share options lapsed during the Reporting Period were not treated as utilized, resulting in an increase in the number of share options available for grant at the end of the Reporting Period as compared to the beginning of the Reporting Period.

Report of the Directors

The following share options were outstanding under the New Scheme during the year ended 31 December 2025:

	Number of share options									
Name or category of grantees	As at 1 January 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 31 December 2025	Date of grant of share options	Exercise period of share options (both days inclusive)	Exercise price of share options (HK$)	Closing price of the shares of the Company immediately preceding the grant date of share options (HK$)
Directors										
Mr. TAO Tianhai	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
Mr. ZHANG Hui	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
Ms. QIAO Xiaojie	666,000	–	–	–	–	666,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	668,000	–	–	–	–	668,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
Subtotal	5,334,000	–	–	–	–	5,334,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
Employees in aggregate	49,846,000	–	–	–	(4,516,000)	45,330,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	49,678,000	–	–	–	(4,568,000)	45,110,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2023 to 8 September 2026	4.58	4.71
Total	104,858,000	–	–	–	(9,084,000)	95,774,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	2,000,000	–	–	–	–	2,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71

DIRECTORS AND CHIEF EXECUTIVES' INTEREST IN SHARES OR UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Save as disclosed below, as at 31 December 2025, none of the Directors and chief executives of the Company had any interests and 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 Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required, pursuant to the Model Code as set out in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

Interests in the shares or underlying shares of the Company

Name	Capacity	Number of shares held	Number of underlying shares held (Note)	Approximate percentage of the issued share capital
Mr. ZHANG Zenggen*	Beneficial owner	3,800,000(L)	–	0.028%
Mr. TAO Tianhai	Beneficial owner	10,800,000 (L)	2,000,000(L)	0.095%
Mr. ZHANG Hui	Beneficial owner	1,484,000 (L)	2,000,000(L)	0.026%
Ms. QIAO Xiaojie	Beneficial owner	4,500,000(L)	1,334,000(L)	0.043%

(L) Denotes long positions

* Mr. ZHANG Zenggen resigned as a Director of the Company with effect from 11 March 2025.

Note: Represents the underlying shares subject to share options which are unlisted physically settled equity derivatives.

Interests in the debentures of associated corporation of the Company

Name	Capacity	Name of associated corporation(Note 1)	Number of debentures held	Approximate percentage of the issued share capital
Mr. ZHANG Hui	Beneficial owner	Franshion Brilliant Limited	1,000,000 (L) (Note 2)	–
	Beneficial owner	Franshion Brilliant Limited	300,000 (L) (Note 3)	–

(L) Denotes long positions

Note 1: On 31 December 2025, the Company owned 100% of the shares of Franshion Brilliant Limited in issue, and therefore, Franshion Brilliant Limited is an associated corporation of the Company.

Note 2: Franshion Brilliant Limited completed the issuance of US$500,000,000 4.250% guaranteed senior notes due in 2029 on 23 July 2019, which are freely transferable and non-convertible into shares.

Note 3: Franshion Brilliant Limited completed the issuance of US$600,000,000 3.200% guaranteed senior notes due in 2026 on 9 April 2021, which are freely transferable and non-convertible into shares.

SUBSTANTIAL SHAREHOLDERS' INTEREST

So far as is known to the Directors of the Company, as at 31 December 2025, the following persons (other than the Directors or chief executives of the Company) had interest and short positions in the shares, or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Hong Kong Stock Exchange:

Name of the substantial shareholder	Nature	Capacity/nature of interest	Number of ordinary shares	Approximate percentage of the issued share capital
Sinochem Hong Kong (Group) Company Limited ("Sinochem Hong Kong")	Long position	Beneficial owner	5,183,735,902	38.36%
Sinochem Corporation	Long position	Interest of controlled corporation[Note 1]	5,183,735,902	38.36%
Sinochem Group	Long position	Interest of controlled corporation[Note 1]	5,183,735,902	38.36%
Sinochem Holdings	Long position	Interest of controlled corporation[Note 1]	5,183,735,902	38.36%
Ping An Life Insurance Company of China, Ltd. ("Ping An Life Insurance")	Long position	Beneficial owner	1,787,077,435	13.23%
Ping An Insurance (Group) Company of China, Ltd. ("Ping An")	Long position	Interest of controlled corporation[Note 2]	1,787,077,435	13.23%
New China Life Insurance Company Ltd.	Long position	Beneficial owner	1,234,475,138	9.14%

Note 1: Sinochem Holdings holds the entire equity interests in Sinochem Group, which in turn holds 100% equity interests in Sinochem Corporation, which in turn holds the entire equity interests in Sinochem Hong Kong. For the purpose of the SFO, Sinochem Holdings, Sinochem Group and Sinochem Corporation are all deemed to be interested in the shares beneficially owned by Sinochem Hong Kong.

Note 2: Ping An holds 99.51% equity interests in Ping An Life Insurance and the entire equity interests in Ping An of China Asset Management (Hong Kong) Company Limited. For the purpose of the SFO, Ping An is deemed to be interested in 1,787,077,435 shares beneficially owned by Ping An Life Insurance.

Note 3: On 6 August 2019, Sinochem Hong Kong delivered 1,787,077,435 shares to Ping An Life Insurance pursuant to a placing and subscription agreement dated 26 July 2019. Ping An Life Insurance is granted a pre-emptive right to off-market transfers and is thus deemed to be interested in the shares held by Sinochem Hong Kong by virtue of section 317 of the SFO, and Sinochem Hong Kong is deemed to be interested in the shares held by Ping An Life Insurance by virtue of section 317 of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors of the Company were not aware of any person (other than the Directors or chief executives of the Company) who had interest or short positions in the shares and underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Hong Kong Stock Exchange.

CONTINUING CONNECTED TRANSACTIONS

During the Period under Review and up to the date of this report, the Company entered into non-exempt continuing connected transactions, including:

I. Continuing connected transactions exempt from the independent shareholders' approval requirement:

1 Factoring service framework agreement between the Company and Sinochem Commercial Factoring Co., Ltd. ("Sinochem Factoring");

2 Loan framework agreement between Chongqing Xingqian Real Estate Co., Ltd. ("Xingqian Real Estate") and its direct and indirect shareholders (including the Company, Ping An Real Estate Company Limited ("Ping An Real Estate"), Jinmao Xinan Enterprise Management (Tianjin) Limited ("Jinmao Xinan"), Fubao Investment Management Limited ("Fubao"), Step Fancy Investments Limited ("Step Fancy"), and Year Fine Limited ("Year Fine"));

3 Loan framework agreement between 10 project companies including Qingdao Fanghui Properties Co., Ltd. ("Qingdao 10 Project Companies"), Beijing Xingmao Properties Co., Ltd. ("Xingmao Properties"), Win Cheer Limited ("Win Cheer"), Tongxiang Haoji Properties Co., Ltd. ("Haoji Properties"), Tongxiang Haoqing Properties Co., Ltd. ("Haoqing Properties") and China Overseas Enterprise Development Group Co., Ltd. ("China Overseas Development");

4 Cash pooling accession agreement between the Company, Sinochem Hong Kong and Bank Mendes Gans N.V. (the "Bank");

5 Loan framework agreement between Sanya Nanfan Rongmao Properties Co., Ltd. ("Nanfan Rongmao"), Hainan Nongken Nanfan Industry Group Co., Ltd. ("Hainan Nongken") and Sanya Yazhou Bay Science and Technology City Holding Group Co., Ltd. ("Sanya Yazhou");

6 Digital services framework agreement between the Company and Sinochem Information Technology Co., Ltd. ("Sinochem Information");

7 Entrustment loan framework agreement between Ningbo Yingmao Properties Development Co., Ltd. ("Ningbo Yingmao"), Wide Sea Limited ("Wide Sea") and Shenzhen Pingjia Investment and Management Co., Ltd. ("Pingjia Investment");

8 Tendering and procurement services framework agreement between the Company and Sinochem Commerce Co., Ltd. ("Sinochem Commerce");

9 Human resources services framework agreement between the Company and Sinochem Fangsheng Energy Management Service Co., Ltd. ("Sinochem Fangsheng");

10 Property management service and value-added service framework agreement between Jinmao Services and Sinochem Holdings.

II. Continuing connected transactions approved or to be approved by independent shareholders:

11 Framework lease agreement between the Company and Sinochem Holdings Corporation Ltd.;

12 Financial services framework agreement and two supplemental agreements between the Company and Sinochem Finance Co., Ltd. ("Sinochem Finance");

13 Financial services framework agreement between the Company and various subsidiaries of Ping An.

For these continuing connected transactions, the Company confirms that it had complied with the requirements under Chapter 14A of the Listing Rules. During the Year, when conducting these continuing connected transactions, the Company had complied with the pricing policies and guidelines formulated when such transactions were entered into. Set out below is a summary of all these transactions:

I. CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

1 Factoring service framework agreement between the Company and Sinochem Factoring

On 19 April 2022, the Company and Sinochem Factoring entered into a factoring service framework agreement (the "2022 Factoring Framework Agreement"), pursuant to which the Group utilised the financing factoring services and non-financing factoring services available from Sinochem Factoring from time to time as it deemed necessary for a term of three years. Under the factoring service framework agreement, the interest and fees payable by the Group to Sinochem Factoring should not be higher than the interest and fees charged by independent factoring companies in the PRC in providing the same type of factoring services under the same conditions. During the term of the factoring service framework agreement, the cap on the daily maximum balance (including the amount of accounts receivables and accrued interest) in respect of the financing factoring services provided by Sinochem Factoring to the Group was RMB1,400 million, and the annual cap for the fees of the non-financing factoring services provided by Sinochem Factoring to the Group was RMB28 million. The 2022 Factoring Framework Agreement expired on 18 April 2025. On 30 September 2025, the Company and Sinochem Factoring entered into a factoring service framework agreement (the "2025 Factoring Framework Agreement") for a term of three years, effective from 30 September 2025. Under the 2025 Factoring Framework Agreement, the daily maximum balance (including the amount of accounts receivables and accrued interests) in respect of the financing factoring services will be RMB900 million, and the annual cap for the fees of the non-financing factoring Services will be RMB30 million. For the year ended 31 December 2025, the transaction amount did not exceed the aforesaid two caps.

Sinochem Factoring is an indirect non-wholly-owned subsidiary of Sinochem Holdings, which is the ultimate controlling shareholder of the Company. Accordingly, Sinochem Factoring is a connected person of the Company. The transactions under the factoring service framework agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

2 Loan framework agreement between Xingqian Real Estate and its direct and indirect shareholders (including the Company, Ping An Real Estate, Jinmao Xinan, Fubao, Step Fancy and Year Fine)

On 22 August 2022, Xingqian Real Estate, an indirect non-wholly-owned subsidiary of the Company, entered into the loan framework agreement with its direct and indirect shareholders (including the Company, Ping An Real Estate, Jinmao Xinan, Fubao, Step Fancy and Year Fine) (the "2022 Xingqian Framework Agreement"), pursuant to which Xingqian Real Estate should continue to provide loans to the Company and Ping An Real Estate (or their respective designated entities) during the term of the framework agreement. The 2022 Xingqian Framework Agreement should be valid for three years commencing from 22 August 2022, and expired on 21 August 2025. During the term of the 2022 Xingqian Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the loans provided by Xingqian Real Estate to Ping An Real Estate (or its designated entities) was RMB821 million. For the period ended 21 August 2025, the transaction amount did not exceed the aforesaid cap.

Ping An Real Estate is an associate of Ping An Life Insurance, which is a substantial shareholder of the Company, and is therefore a connected person of the Company. Step Fancy is a subsidiary of the Company owned as to 63.2% by the Company and 36.8% by Ping An Real Estate through Fubao, its wholly-owned subsidiary. Accordingly, Step Fancy is a connected subsidiary of the Company. Xingqian Real Estate is an indirect non-wholly-owned subsidiary of Step Fancy and also a connected subsidiary of the Company. The transactions under the 2022 Xingqian Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

3 Loan framework agreement among Qingdao 10 Project Companies, Xingmao Properties, Win Cheer, Haoji Properties, Haoqing Properties and China Overseas Development

On 12 May 2023, Qingdao 10 Project Companies, the indirect non-wholly-owned subsidiaries of the Company, entered into the loan framework agreement with their shareholders (including Xingmao Properties, Win Cheer, Haoji Properties, Haoqing Properties and China Overseas Development) (the "2023 Qingdao Framework Agreement"), pursuant to which Qingdao 10 Project Companies agreed to provide loans to their shareholders (or their respective designated entities) based on the same terms and conditions and in proportion to the respective shareholding ratio of the Company (through its subsidiaries Xingmao Properties and Win Cheer), Ping An (through its subsidiaries Haoji Properties and Haoqing Properties) and China Overseas Development in Qingdao 10 Project Companies. Under the 2023 Qingdao Framework Agreement, the effective interest rate of each of the loans shall be determined by reference to the loan prime rate for one-year loan as published by the National Interbank Funding Center from time to time, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the 2023 Qingdao Framework Agreement. The 2023 Qingdao Framework Agreement shall be for a term of three years commencing from 13 May 2023. During the term of the 2023 Qingdao Framework Agreement, the cap on the aggregate maximum daily balance (including the accrued interests) of the loans to be provided by Qingdao 10 Project Companies to Haoji Properties and Haoqing Properties (or their respective designated entities) will be RMB670 million. For the year ended 31 December 2025, the transaction amount did not exceed the aforesaid cap.

Haoji Properties and Haoqing Properties are associates of Ping An, a substantial shareholder of the Company, and are therefore connected persons of the Company. The above Qingdao 10 Project Companies are subsidiaries owned as to 68% by the Company (through Xingmao Properties or Win Cheer) and 14% by Ping An (through Haoji Properties or Haoqing Properties). Accordingly, Qingdao 10 Project Companies are therefore connected subsidiaries of the Company. Accordingly, the transactions under the 2023 Qingdao Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In addition, the provision of loans by the Project Companies to Haoji Properties, Haoqing Properties and China Overseas Development (or their respective designated entities) under the 2023 Qingdao Framework Agreement in aggregate also constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

4 Cash pooling accession and cooperation agreement among the Company, Sinochem Hong Kong and the Bank

On 17 March 2023, the Company and Sinochem Hong Kong entered into the Supplemental Agreement II to the Cooperation Agreement in relation to the cash pooling cooperation arrangement (the "Supplemental Agreement II") to extend the cash pooling cooperation arrangement to 31 December 2025. Pursuant to which, the Company continued to join the Cash Pool established by, among others, Sinochem Hong Kong and the Bank pursuant to the Cash Pooling Agreement in relation to such arrangement. As part of the Cash Pooling Cooperation Arrangement, the Company and Sinochem Hong Kong entered into the Cash Pooling Cooperation Agreement and the First Supplemental Agreement (the "Cash Pooling Agreement") whereby Sinochem Hong Kong provided protection to the Company against any risks arising from the enforcement by the Bank of its right of pledge over the Deposit placed by the Company and the exercise by Sinochem Hong Kong and/or the Bank of their rights to set off the balances among the Accounts pursuant to the Cash Pooling Agreement. Pursuant to the Supplemental Agreement II, during the extension period of the Cash Pooling Cooperation Arrangement, the daily balance (including the accrued interest) of the Deposit placed by the Company in the Cash Pool shall not exceed US$120,000,000, and the interest rate of the Deposit shall be calculated at Overnight SOFR plus 10 base points (for Deposit in US dollars) or Overnight HIBOR plus 10 base points (for Deposit in HK dollars). In addition, for the purpose of providing protection to the Company for the safety of its Deposit placed in the Cash Pool, Sinochem Hong Kong agreed to continue to provide the Loan in a principal amount of US$120,000,000 (equivalent to the maximum amount of the Deposit) to the Company. For the year ended 31 December 2025, the transaction amount did not exceed the aforesaid cap.

On 19 December 2025, the Company, Sinochem Hong Kong and Sinochem Hong Kong Capital Management Co., Ltd. ("Sinochem Hong Kong Capital") entered into the new cash pooling cooperation agreement, pursuant to which, the Company will continue to place deposits in the cash pool, and Sinochem Hong Kong and Sinochem Hong Kong Capital shall provide additional protection for the safety of such deposits. The term of the new cash pooling cooperation agreement will be from 1 January 2026 to 31 December 2028. During the term of the new cash pooling cooperation agreement, the maximum daily balance (including the accrued interest) of the deposit to be placed by the Company in the cash pool will be US$105,000,000 (or its equivalent in HK dollars). In addition, for the purpose of providing protection to the Company for the safety of its deposit placed in the cash pool, Sinochem Hong Kong Capital has agreed to provide a loan to the Company, the principal amount of which shall be US$105,000,000 (equivalent to the maximum amount of the deposit).

Sinochem Hong Kong is a direct controlling shareholder of the Company, therefore is a connected person of the Company. The cash pooling cooperation arrangement involves a provision of financial assistance among customers of the cash pool (including the Company, Sinochem Hong Kong and group companies of Sinochem Hong Kong), and therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

5 Loan framework agreement between Nanfan Rongmao, Hainan Nongken and Sanya Yazhou

On 28 June 2024, Nanfan Rongmao, an indirect non-wholly owned subsidiary of the Company, entered into the loan framework agreement ("Framework Agreement") with its indirect shareholders, Jinmao Investment Management (Tianjin) Co., Ltd. ("Jinmao Tianjin"), Hainan Nongken and Sanya Yazhou, pursuant to which Nanfan Rongmao agreed to provide loans to Jinmao Tianjin, Hainan Nongken and Sanya Yazhou based on the same terms and conditions and in proportion to the respective shareholding ratio of Jinmao Tianjin, Hainan Nongken and Sanya Yazhou in Nanfan Science and Technology City Co., Ltd. ("Nanfan Science and Technology City"). The Framework Agreement shall be valid for three years commencing from 28 June 2024. During the term of the Framework Agreement, the caps on the maximum daily balance (including the accrued interest) of the loans to be provided by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou will be RMB340 million and RMB170 million respectively. For the year ended 31 December 2025, the transaction amount did not exceed the aforesaid two caps.

Jinmao Tianjin is an indirect wholly-owned subsidiary of the Company, and Nanfan Rongmao is a direct wholly-owned subsidiary of Nanfan Science and Technology City, which is owned by Jinmao Tianjin, Hainan Nongken and Sanya Yazhou as to 70%, 20% and 10% respectively. Therefore, Nanfan Rongmao and Nanfan Science and Technology City are indirect non-wholly owned subsidiaries of the Company. Hainan Nongken and Sanya Yazhou are substantial shareholders of Nanfan Science and Technology City and are therefore connected persons of the Company at the subsidiary level. The transaction under the Framework Agreement constitutes a continuing connected transaction under Chapter 14A of the Listing Rules.

6 Digital services framework agreement between the Company and Sinochem Information

On 26 July 2024, the Company entered into the Digital Services Framework Agreement with Sinochem Information, an indirect wholly-owned subsidiary of Sinochem Holdings, pursuant to which the Group will, from time to time, utilize the digital services available from Sinochem Information as it deems necessary, including but not limited to information system construction, information system operation and maintenance, network security services, network private line services, application software support services, cloud resource services and other digital services. The Digital Services Framework Agreement was effective from 26 July 2024 and will expire on 31 December 2026. For the three years ending 31 December 2026, with respect to the digital services provided by Sinochem Information, the annual cap on the cumulative service fees paid by the Group is RMB33.224 million. For the year ended 31 December 2025, the transaction amount did not exceed the aforesaid cap.

Sinochem Holdings is the ultimate controlling shareholder of the Company, and Sinochem Information is an indirect wholly-owned subsidiary of Sinochem Holdings. Accordingly, Sinochem Information is a connected person of the Company. The transactions under the Digital Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

7 Entrustment loan framework agreement between Yingmao Properties, Wide Sea and Pingjia Investment

On 27 December 2024, Yingmao Properties, an indirect non-wholly-owned subsidiary of the Company, entered into the entrustment loan framework agreement with Wide Sea and Pingjia Investment ("2025 Yingmao Framework Agreement"), pursuant to which Yingmao Properties would provide entrustment loans to Wide Sea and Pingjia Investment (or their respective designated entities) during the term of the 2025 Yingmao Framework Agreement. The 2025 Yingmao Framework Agreement took effect from 30 December 2024 and expired on 31 December 2025. During the term of the 2025 Yingmao Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the loans provided by Yingmao Properties to Pingjia Investment (or its designated entities) was RMB400 million. On 29 December 2025, Yingmao Properties entered into a new framework agreement with Wide Sea and Pingjia Investment, which took effect from 30 December 2025 and will expire on 31 December 2026. The cap amount under the new framework agreement is RMB43 million. For the year ended 31 December 2025, the transaction amount did not exceed the aforesaid cap.

Pingjia Investment is an associate of Ping An Life Insurance, a substantial shareholder of the Company, and is therefore a connected person of the Company. Yingmao Properties is a subsidiary owned as to 50% by the Company through Wide Sea and the remaining 50% by Pingjia Investment, and is therefore a connected subsidiary of the Company. The transactions under the 2025 Yingmao Framework Agreement and the new framework agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

8 Tendering services framework agreement between the Company and Sinochem Commerce

On 13 September 2024, the Company entered into the tendering and procurement services framework agreement with Sinochem Commerce, pursuant to which the Group will, from time to time, utilise the tendering and procurement services provided by Sinochem Commerce as it deems necessary, including but not limited to business consultation services, engineering consultation services, tendering agency services and other tendering-related services as approved by the relevant competent authorities. The tendering and procurement services framework agreement was effective from 13 September 2024 and will expire on 31 December 2026. The annual cap for the cumulative service fees to be paid by the Group in respect of the tendering and procurement services to be provided by Sinochem Commerce for the three years ending 31 December 2026 is approximately RMB14.06 million. For the year ended 31 December 2025, the transaction amount did not exceed the aforesaid cap.

Sinochem Holdings is the ultimate controlling shareholder of the Company, and Sinochem Commerce is an indirect non-wholly owned subsidiary of Sinochem Holdings. Accordingly, Sinochem Commerce is a connected person of the Company. The transactions under the tendering services framework agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

9 Human resources services framework agreement between the Company and Sinochem Fangsheng

On 18 December 2025, the Company entered into the human resources services framework agreement with Sinochem Fangsheng, pursuant to which the Group will, from time to time, utilise the human resources services provided by Sinochem Fangsheng as it deems necessary, including outsourcing services, human resources agency services, labour dispatch services and other human resources-related services as approved by the relevant competent authorities. The human resources services framework agreement was effective from 18 December 2025 and will expire on 31 December 2027. The annual cap for the cumulative service fees to be paid by the Group in respect of the human resources services to be provided by Sinochem Fangsheng for the period ended 31 December 2025 and the two years ending 31 December 2027 is RMB58 million, RMB750 million and RMB750 million, respectively. For the period ended 31 December 2025, the transaction amount did not exceed the aforesaid cap.

Sinochem Holdings is the ultimate controlling shareholder of the Company, and Sinochem Fangsheng is 49% owned as to by Sinochem Petroleum Trading Limited, an indirect non-wholly owned subsidiary of Sinochem Holdings, and therefore Sinochem Fangsheng is a 30% controlled company of Sinochem Holdings. Accordingly, Sinochem Fangsheng is a connected person of the Company. The transactions under the human resources services framework agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

10 Property management service and value-added service framework agreement between Jinmao Services and Sinochem Holdings

Jinmao Services renewed the framework agreement (the "2023 Sinochem Framework Agreement") with Sinochem Holdings on 9 November 2023 for a term commencing from 1 January 2024 to 31 December 2026, pursuant to which Jinmao Services (for itself and on behalf of Jinmao Services Group) agreed to provide certain services to the Sinochem Connected Persons, including (i) property management services involving industrial parks, research institutions and office buildings held by the Sinochem Connected Persons and office premises used by the Sinochem Connected Persons; and (ii) value-added services such as parking space management as may be required by the Sinochem Connected Persons from time to time. Relevant members of the Jinmao Services Group shall enter into specific agreements with members of Sinochem Holdings in respect of each transaction for the provision of the services, which shall set out the specific content of the services, the price of the services and the basis of determination, the payment method and the specific service period. For the year ended 31 December 2024, the caps of the transaction amount for the provision of property management services and value-added services by Jinmao Services to Sinochem Connected Persons were RMB100 million and RMB21 million, respectively. For the year ended 31 December 2025, the transaction amount did not exceed the above cap.

Sinochem Holdings is the ultimate controlling shareholder of the Company and Jinmao Services. Jinmao Services is a non-wholly owned subsidiary of China Jinmao. The transactions under the 2023 Sinochem Framework Agreement constitute continuing connected transactions of Jinmao Services under Chapter 14A of the Listing Rules. The respective transaction caps for the property management services and value-added services under the 2023 Sinochem Framework Agreement for the three years ending 31 December 2026 were approved at the extraordinary general meeting of Jinmao Services held on 22 December 2023.

II. CONTINUING CONNECTED TRANSACTIONS APPROVED BY INDEPENDENT SHAREHOLDERS

11 Framework lease agreement between the Company and Sinochem Holdings

On 7 May 2024, the Company entered into a framework lease agreement with Sinochem Holdings to streamline the leasing relationship between the Group and Sinochem Holdings and its associates in respect of the relevant units in Shanghai Jin Mao Tower, Xicheng Jinmao Centre, Beijing Chemsunny World Trade Centre, Royal International Mansion, Changsha Jin Mao Tower and Nanjing International Centre, effective until 31 December 2033. The annual caps for the rent, property management fees and other fees to be received by the Group under the framework lease agreement for the three years ending 31 December 2026 are RMB529.04 million, RMB593.85 million and RMB662.62 million, respectively.

In 2025, details of the transactions contemplated under the framework lease agreement are as follows:

	Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2025
1.	Two subsidiaries/controlled companies of Sinochem Holdings Corporation Ltd.			RMB	11,912,017
	1A Manulife-Sinochem Life Insurance Co., Ltd.	Lease of relevant units in Jin Mao Tower from the Group	2017 to 2025	RMB	4,622,066
	1B China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Jin Mao Tower from the Group	2023 to 2026	RMB	7,289,951
2.	15 subsidiaries of Sinochem Holdings Corporation Ltd.			RMB	227,440,848
	2A Sinochem Corporation	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2023 to 2025	RMB	85,001,865
	2B China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2023 to 2026	RMB	45,755,350
	2C Syngenta Group Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	10,265

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	Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2025
	2D Sinochem Finance Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	20,167,505
	2E Sinochem Juyuan Enterprises Management (Beijing) Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	2,226,960
	2F Sinochem Energy Corporation Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	21,022,223
	2G Sinochem Commercial Factoring Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2022 to 2026	RMB	8,484,812
	2H Sinochem Petroleum Exploration and Production Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	10,434,774
	2I Sinochem Petroleum Sales Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	18,206
	2J Sinochem Oil Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	11,918,157
	2K Sinochem Digital Intelligence Technology Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	4,354,265
	2L Sinochem Capital Co., Ltd., Beijing Branch	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	12,898,866
	2M Sinochem Energy Logistics Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	4,850,805
	2N Sinochem Shared Financial Services (Shanghai) Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	18,198
	2O Syngenta Group Modern Agricultural Technology Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	278,597
3.	13 subsidiaries/controlled companies of Sinochem Holdings Corporation Ltd.			RMB	44,187,619
	3A Sinochem Corporation	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	3,802,889
	3B Beijing Sinochem Jinqiao Enterprise Management Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	221,224
	3C China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	10,327,424
	3D Manulife-Sinochem Life Insurance Co., Ltd., Beijing Branch	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	2,229,741

	Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2025
	3E Sinochem International (Holdings) Co., Ltd., Beijing Branch	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	4,730,970
	3F Sinochem Juyuan Enterprises Management (Beijing) Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2024 to 2025	RMB	7,763
	3G Sinochem Plastics Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	8,935,720
	3H Sinochem Digital Intelligence Technology Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2023 to 2025	RMB	876,844
	3I Sinochem Asset Management Co. Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	9,024,227
	3J Sinochem Shared Financial Services (Shanghai) Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2023 to 2026	RMB	562,353
	3K Beijing Jili Petroleum Products Service Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2021 to 2026	RMB	110,453
	3L Sinochem Capital Digital Technology Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2024 to 2027	RMB	573,292
	3M Zhonghua Chanxing (Xiong'an) Asset Management Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2024 to 2027	RMB	2,784,719
4.	13 subsidiaries/controlled companies of Sinochem Holdings Corporation Ltd.			RMB	55,473,204
	4A Sinochem Refined Oil Commerce Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2025	RMB	1,575,674
	4B Sinochem Petroleum Sales Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2026	RMB	13,895,891
	4C Sinochem Energy and Technology Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2025	RMB	3,048,203
	4D Syngenta Group Modern Agricultural Technology Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2026	RMB	2,531,255
	4E Sinochem Fangsheng Energy Management Service Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2022 to 2025	RMB	62,200
	4F Syngenta Group Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2026	RMB	7,222,592
	4G Sinochem Fertilizer Company Limited	Lease of relevant units in Royal International Mansion from the Group	2020 to 2026	RMB	10,971,065
	4H Sinochem Agriculture Holdings Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2026	RMB	6,552,571

	Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2025
	4I China National Seed Group Corp.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	6,049,938
	4J Syngenta Seeds (Beijing) Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	1,693,729
	4K Sinochem Agro Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	37,152
	4L ADAMA (China) Investment Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	12,839
	4M Syngenta (China) Investment Co. Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	1,820,095
5.	Five subsidiaries of Sinochem Holdings Corporation Ltd.			RMB	2,924,009
	5A Sinochem Petroleum Hunan Co., Ltd.	Lease of relevant units in Changsha Jin Mao Tower from the Group	2024 to 2025	RMB	2,071,969
	5B Syngenta (Shanghai) Crop Protection Technology Co., Ltd.	Lease of relevant units in Changsha Jin Mao Tower from the Group	2024 to 2025	RMB	206,394
	5C China National Seed Agricultural Technology (Hunan) Co., Ltd.	Lease of relevant units in Changsha Jin Mao Tower from the Group	2024 to 2025	RMB	494,055
	5D Yiyang Rubber & Plastics Machinery Group Co., Ltd.	Lease of relevant units in Changsha Jin Mao Tower from the Group	2024 to 2025	RMB	138,697
	5E Sinochem Shared Financial Services (Shanghai) Co., Ltd. Changsha Branch	Lease of relevant units in Changsha Jin Mao Tower from the Group	2024 to 2025	RMB	12,894
6.	Two subsidiaries of Sinochem Holdings Corporation Ltd.			RMB	1,502,166
	6A Sinochem Petrochemical Distribution Co., Ltd.	Lease of relevant units in Nanjing Xuanwu Lake Jinmao Plaza from the Group	2025 to 2028	RMB	802,165
	6B Sinochem Environmental and Atmospheric Treatment Co., Ltd. Jiangsu Branch	Lease of relevant units in Nanjing Xuanwu Lake Jinmao Plaza from the Group	2025 to 2026	RMB	700,001
Total				RMB	343,439,863

Sinochem Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company. Accordingly, the framework lease agreement and the transactions contemplated under the specific lease contracts constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The framework lease agreement and the transactions contemplated thereunder (including the annual caps) were adopted by voting at the extraordinary general meeting of the Company held on 19 June 2024. For the year ended 31 December 2025, the transaction amount under the framework lease agreement did not exceed the annual cap.

12 Financial services framework agreement and two supplemental agreements between the Company and Sinochem Finance

On 16 November 2022, the Company and Sinochem Finance entered into a renewed financial services framework agreement (the "2022 Sinochem Financial Services Framework Agreement") for a period until 31 December 2025, pursuant to which the Group would continue to utilise the financial services provided by Sinochem Finance on a non-exclusive basis as it deemed necessary, including deposit and loan services, entrustment loans, settlement services, guarantee services, internet banking services and any other financial services as approved by the China Banking and Insurance Regulatory Commission, and paid the relevant interests and service fees to or received deposit interest from Sinochem Finance. The relevant fees and loan interest should be determined at a rate no higher than the standards as set by the PBOC from time to time or the market price, and the deposit interest should be determined at a rate no lower than the benchmark interest rate as promulgated by the PBOC from time to time or the market price. The settlement services were provided free of charge. During the term of the 2022 Sinochem Financial Services Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the deposits placed by the Group with Sinochem Finance was RMB10,000 million. The deposit services (including the maximum daily balance) under the 2022 Sinochem Financial Services Framework Agreement were adopted by voting at the extraordinary general meeting of the Company held on 23 December 2022.

The supplemental agreement I was entered into between the Company and Sinochem Finance on 15 March 2024 to amend certain terms of the 2022 Sinochem Financial Services Framework Agreement and extend the term of the agreement to 31 December 2026. At the same time, having reviewed the funding utilisation and funding deployment arrangements of the Group, the Company proposed to amend the maximum daily deposit balance for each year for the three years ending 31 December 2026 to RMB15,000 million. The deposit services (including the maximum daily balance) under the supplemental agreement I were adopted by voting at the extraordinary general meeting of the Company held on 29 April 2024.

The supplemental agreement II was entered into between the Company and Sinochem Finance on 29 September 2025 to further amend certain terms of the 2022 Sinochem Financial Services Framework Agreement, pursuant to which the Group will utilise secured loan services provided by Sinochem Finance on a non-exclusive basis as it deems necessary, and shall provide necessary mortgage, pledge or other security over the assets in accordance with relevant loan regulatory policy requirements. For the period from the effective date of the supplemental agreement II to 31 December 2025 and the year ending 31 December 2026, the maximum daily outstanding balance of secured loan services is RMB4,000 million. The secured loan services (including the maximum daily balance) under the supplemental agreement II were adopted by voting at the extraordinary general meeting of the Company held on 19 November 2025. For the year ended 31 December 2025, the transaction amount did not exceed the corresponding cap.

Sinochem Finance is a subsidiary of Sinochem Holdings, the ultimate controlling shareholder of the Company, and is therefore a connected person of the Company. The transactions under the 2022 Sinochem Financial Services Framework Agreement, the supplemental agreement I and the supplemental agreement II constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

13 Financial services framework agreement between the Company and various subsidiaries of Ping An

On 16 November 2022, the Company entered into the renewed financial services framework agreement (the "2022 Ping An Financial Services Framework Agreement") with various subsidiaries of Ping An (including Ping An Bank Co., Ltd., Ping An Wealth Management Co., Ltd., Shenzhen Qianhai Pingyu Commercial Factoring Co., Ltd., Ping An Property & Casualty Insurance Company of China, Ltd., Ping An Annuity Insurance Company of China, Ltd., Ping An Real Estate and Ping An Asset Management Co., Ltd.) for a period until 31 December 2025, pursuant to which the Group would, when it deemed necessary, continue to utilise the financial services that Ping An member companies provide on a non-exclusive basis, including deposit and loan services, entrustment loans services, mortgage loan services, settlement services, factoring services (including financing factoring services and non-financing factoring services), commercial insurance services and other financial services as approved by competent authorities such as the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission, and paid the relevant interests and service fees to or received deposit interest from Ping An member companies. The relevant fees and loan interest should be determined at a rate no higher than the rates offered by independent financial institutions of the same type under the same conditions, and the deposit interest should be determined at a rate no lower than the benchmark interest rate as promulgated by the PBOC or those offered by independent financial institutions. The mortgage loan services and settlement services were provided free of charge. During the term of the 2022 Ping An Financial Services Framework Agreement, the caps on the maximum daily balance (including the accrued interest) of the deposit services, the loan services and the financing factoring services were RMB8,000 million, RMB10,000 million and RMB3,000 million, respectively, whereas the annual caps of all other financial services were RMB20 million, RMB21 million and RMB22 million. The deposit services, the loan services and the financing factoring services (including their respective maximum daily balances) under the 2022 Ping An Financial Services Framework Agreement were adopted by voting at the extraordinary general meeting of the Company held on 23 December 2022. For the year ended 31 December 2025, the transaction amount under the 2022 Ping An Financial Services Framework Agreement did not exceed the aforesaid cap.

On 29 September 2025, the Company renewed the financial services framework agreement (the "2025 Ping An Financial Services Framework Agreement") with various subsidiaries of Ping An (including Ping An Bank Co., Ltd., Ping An Property & Casualty Insurance Company of China, Ltd., Ping An Annuity Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd.) for a period from 1 January 2026 until 31 December 2028, pursuant to which the Group will, when it deems necessary, continue to utilise the financial services that Ping An member companies provide on a non-exclusive basis. The terms of the 2025 Ping An Financial Services Framework Agreement are more or less the same as the terms of the 2022 Ping An Financial Services Framework Agreement. During the term of the 2025 Ping An Financial Services Framework Agreement, the caps on the maximum daily balance (including the accrued interest) of the deposit services, the loan services and the financing factoring services were RMB8,000 million, RMB10,000 million and RMB3,000 million, respectively, whereas the annual caps of all other financial services were RMB26 million. The deposit services, the loan services and the financing factoring services (including their respective maximum daily balances) under the 2025 Ping An Financial Services Framework Agreement were adopted by voting at the extraordinary general meeting of the Company held on 19 November 2025.

Each of Ping An and its subsidiaries is an associate of Ping An Life Insurance, a substantial shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the transactions under the 2022 Ping An Financial Services Framework Agreement and the 2025 Ping An Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

During the Period under Review and up to the date of this report, the Company did not conduct any one-time connected transactions.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In the opinion of the independent non-executive Directors of the Company, the continuing connected transactions for the year ended 31 December 2025 were entered into by the Group:

- in the ordinary and usual course of its business;
- on normal commercial terms; and
- in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditor of the Company has been engaged to report on the continuing connected transactions of the Company for the year ended 31 December 2025 in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board of Directors has received an unqualified letter from the auditor of the Company in accordance with Rule 14A.56 of the Listing Rules, stating that the auditor has not noticed that any of these continuing connected transactions:

- have not been approved by the Board of Directors of the Company;
- for the connected transactions involving the provision of goods or services by the Group have not been entered into in accordance with the pricing policies of the Group in all material aspects;
- have not been entered into in accordance with the terms of the relevant agreements governing such continuing connected transactions in all material aspects; and
- have exceeded the relevant caps for the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the sections headed "Issuance of Notes and Bonds" and "Redemption of Notes" under the "Report of the Directors" in this report, during the Period under Review, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ISSUANCE OF NOTES AND BONDS

1 Issue of domestic corporate bonds

On 21 February 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the corporate bonds in a principal amount of RMB1,700,000,000 to professional investors. The bonds are unsecured and have a term of four years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year. The final coupon rate is fixed at 2.79%. The proceeds from the issuance of the bonds amounted to approximately RMB1,700 million and had been used to repay other debts of the Company. As at the date of this report, the Group has not redeemed or cancelled any of these bonds.

2 Issue of domestic corporate bonds

On 20 March 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the corporate bonds in a principal amount of RMB1,600,000,000 to professional investors. The bonds are unsecured and have a term of four years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year. The final coupon rate is fixed at 2.93%. The proceeds from the issuance of the bonds amounted to approximately RMB1,600 million and had been used to repay other debts of the Company. As at the date of this report, the Group has not redeemed or cancelled any of these bonds.

3 Issue of domestic corporate bonds

On 11 July 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the corporate bonds in a principal amount of RMB2,000,000,000 to professional investors. The bonds are unsecured and have a term of four years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year. The final coupon rate is fixed at 2.38%. The proceeds from the issuance of the bonds amounted to approximately RMB2,000 million and had been used to repay other debts of the Company. As at the date of this report, the Group has not redeemed or cancelled any of these bonds.

4 Issue of unsecured medium-term notes

On 23 July 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the 2025 first tranche of the medium-term notes in a principal amount of RMB2,000,000,000 to qualified investors. The notes are unsecured and have a term of three years. The final coupon rate is fixed at 2.30%. The proceeds from the issuance of the notes amounted to approximately RMB2,000 million and had been used to repay other matured notes of the Company.

5 Issue of domestic corporate bonds

On 23 September 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the corporate bonds in a principal amount of RMB1,950,000,000 to professional investors. The bonds are unsecured and have a term of four years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year. The final coupon rate is fixed at 2.51%. The proceeds from the issuance of the bonds amounted to approximately RMB1,950 million and had been used to repay other debts of the Company. As at the date of this report, the Group has not redeemed or cancelled any of these bonds.

6 Issue of domestic corporate bonds

On 4 February 2026, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the corporate bonds in a principal amount of RMB1,700,000,000 to professional investors. The bonds are unsecured and have a term of four years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year. The final coupon rate is fixed at 2.48%. The proceeds from the issuance of the bonds amounted to approximately RMB1,700 million and had been used to repay other debts of the Company. As at the date of this report, the Group has not redeemed or cancelled any of these bonds.

REDEMPTION OF NOTES

Redemption of subordinated guaranteed perpetual capital securities

As stated in the announcement of the Company dated 30 December 2025 regarding the notice of redemption of securities, Franshion Brilliant Limited (as the issuer) has elected to redeem all the securities at the aggregate principal amount of the securities plus any distributions (including any arrears of distribution and additional distribution amounts) accrued on the subordinated guaranteed perpetual capital securities issued by it in an aggregate principal amount of US$500,000,000 with an interest rate of 6.00% per annum, up to (but excluding) the distribution accrued on the first reset date. On 10 February 2025, the securities were fully redeemed at the redemption price of US$500,000,000.

REVIEW OF THE OPTION OVER SHIMAO INVESTMENT BY THE INDEPENDENT BOARD COMMITTEE

A written resolution was entered into by the Independent Board Committee comprising all independent non-executive Directors of the Company on 19 March 2026 to review its decision made on 22 August 2025 not to exercise, for the time being, the option to acquire Sinochem Group's 15% interest in China Shimao Investment Company Limited ("Shimao Investment").

The Independent Board Committee has carefully reviewed the relevant information of Shimao Investment, taking into account the facts that Sinochem Group is a financial investor of Shimao Investment and owns only a minority and passive interest in it, and that the property business of Shimao Investment is mainly office buildings, which is inconsistent with the Company's strategy of developing the "consumer infrastructure" commercial business and focusing on building the "Mall of Splendor" brand. At present, the Company's overall total debt position remains stable. In face of the higher volatility in the real estate industry at present, the Company should insist on consolidating its principal businesses by "in-depth cultivation and focus, as well as quality and efficiency improvement". The acquisition of Shimao Investment at the moment would pose greater challenges to the Company in various aspects, including manpower and financial capacity. As such, the independent non-executive Directors unanimously agreed that the exercise of the option over Shimao Investment at this moment is not in line with the Company's prudent investment policy, and is not in the best interests of the Company and the shareholders as a whole.

The Independent Board Committee unanimously resolved not to exercise the option to acquire Sinochem Group's 15% interest in Shimao Investment at this moment. As disclosed in the prospectus and the announcement dated 9 April 2010 of the Company, the Independent Board Committee would continue to review the option over Shimao Investment at the time when the interim and annual reports of the Company are to be released.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the auditor of the Company the accounting principles and practices adopted by the Company, and discussed with them the audit, internal control and financial reporting matters of the Company, including review of the financial statements for 2024. The 2025 financial statements prepared in accordance with Hong Kong Financial Reporting Standards were audited by Ernst & Young based on the Hong Kong Standards on Auditing, which has issued unqualified opinion on the financial statements.

MATERIAL ACQUISITIONS, DISPOSAL AND OTHER DISCLOSEABLE TRANSACTIONS

During the Period under Review and as of the date of this report, save as disclosed in the section headed "Continuing Connected Transactions" and "Connected Transactions" above, the material acquisitions, disposal and other discloseable transactions entered into by the Company include the following:

1 Land resumption

On 13 January 2025, Huzhou Dongmao Real Estate Co., Ltd. ("Huzhou Dongmao", an indirect wholly-owned subsidiary of the Company), entered into the Land Resumption Agreement with Huzhou South Taihu New District Management Committee ("Huzhou South Taihu Management Committee"), in respect of the Land Resumption. Pursuant to the Land Resumption Agreement, Huzhou South Taihu Management Committee has agreed to repossess and reserve the four land parcels namely TH-07-01-06A, 08B, 08E and 09A situated in Binhu East Unit, Huzhou from Huzhou Dongmao, at a consideration of RMB781,000,000 by way of cash compensation. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"). For details, please refer to the announcement of the Company dated 13 January 2025. The Land Resumption was completed on 17 January 2025.

2 Exercise of right of first refusal

On 10 June 2022, Changsha Dingmao Real Estate Co., Ltd. ("Dingmao Real Estate", a then indirect affiliated company of the Company), entered into the Equity Transfer Agreement and the Claims Assignment and Claims and Debt Confirmation Agreement with Jinmao (Jiaxing) Investment Management Company Limited ("Jiaxing Investment") and Huafu Securities Co., Ltd. ("Huafu Securities") (on behalf of the Special Scheme), pursuant to which an asset-backed securities scheme named as Jinmao Huafu – Changsha Jinmao Plaza North Tower Phase II Green Asset-backed Special Scheme (Carbon Neutrality) (金茂華福－長沙金茂廣場北塔二期綠色資產支持專項計劃(碳中和)) was prepared to be established on 30 June 2022 to securitise the Subject Property held by Dingmao Real Estate and to raise funds for the Group's operations and business development. Dingmao Real Estate also entered into the Right of First Refusal Agreement with Jiaxing Xiangmao Investment Partnership (Limited Partnership) ("Jiaxing Xiangmao"), Jiaxing Investment and Huafu Securities (on behalf of the Special Scheme) on the same date, pursuant to which Jiaxing Investment or its designated other entities shall be entitled to the Right of First Refusal to purchase all preferred asset-backed securities not held by them or the Subject Assets (i.e., the Subject Equity and the Subject Claims (including the Subject Property) held by Huafu Securities (on behalf of the Special Scheme)) under the Special Scheme.

On 22 January 2025, Beijing Fangxing Yicheng Property Co., Ltd. ("Beijing Yicheng", an indirect wholly-owned subsidiary of the Company), was designated by Jiaxing Investment as the successor of the holders of Right of First Refusal, and Beijing Yicheng issued a notice of exercise of the Right of First Refusal to Huafu Securities pursuant to the terms of the Right of First Refusal Agreement on the same date, notifying its decision to exercise the Right of First Refusal for the Subject Assets. On 16 May 2025, Beijing Yicheng and Huafu Securities entered into the Subject Assets Transfer Agreement (the "Transfer Agreement", including the Equity Transfer Agreement and the Claims Assignment Agreement), and the final exercise price was RMB1,323 million. The exercise of right of first refusal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 22 January 2025 and 16 May 2025. The transaction was completed on 25 August 2025.

3 Acquisition of 49% equity interests in Xi'an Changmao

On 4 March 2025, Xi'an Shunmao Property Co., Ltd. ("Xi'an Shunmao", an indirect wholly-owned subsidiary of the Company), Jiaxing Tangmao Investment Partnership Enterprise (Limited Partnership) ("Jiaxing Tangmao") and Xi'an Changmao Property Co., Ltd. ("Xi'an Changmao") entered into the Equity Transfer Agreement, pursuant to which Xi'an Shunmao agreed to acquire and Jiaxing Tangmao agreed to sell 49% equity interests in Xi'an Changmao for a total consideration of approximately RMB1,686.74 million. Upon completion of the transaction, Xi'an Changmao has become an indirect wholly-owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 4 March 2025. The transaction was completed on 22 April 2025.

4 Provision of loans

On 5 March 2025, Jinmao Investment Management (Tianjin) Co., Ltd. ("Jinmao Tianjin", an indirect wholly-owned subsidiary of the Company), Shanghai Simao Real Estate Co., Ltd. ("Shanghai Simao"), Beijing Capital Development Co., Ltd. ("BCDC") and Kaimao Real Estate (Hangzhou) Co., Ltd. ("Kaimao Real Estate") entered into the Supplemental Agreement to increase the maximum daily balance (including the accrued interests) of the loans provided by Kaimao Real Estate to BCDC from RMB620 million to RMB720 million. Following the entering into of the Supplemental Agreement, the transaction constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 5 March 2025.

5 Provision of loans

On 31 March 2025, Xi'an Huimao Real Estate Co., Ltd. ("Xi'an Huimao", an indirect non-wholly owned subsidiary of the Company), entered into the Framework Agreement with its shareholders, namely Xi'an Xiangmao Real Estate Co., Ltd. ("Xi'an Xiangmao"), Xi'an Qujiang Intl. Conference & Exhibition Investment Holdings Co., Ltd. ("Qujiang Holdings") and Shaanxi Local Power Aerospace Real Estate Co., Ltd. ("Shaanxi Local Power Aerospace Real Estate"), pursuant to which Xi'an Huimao agreed to provide loans to Xi'an Xiangmao, Qujiang Holdings and Shaanxi Local Power Aerospace Real Estate (or their respective designated entities) in proportion to their respective shareholding ratio and on the same terms and conditions. It is expected that during the term of the Framework Agreement, the maximum daily balance (including the accrued interests) of the loans provided by Xi'an Huimao to Qujiang Holdings and Shaanxi Local Power Aerospace Real Estate are RMB234 million and RMB585 million, respectively, in total of RMB819 million. The transaction constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 31 March 2025.

6 Acquisition of 36% equity interests in Beijing Zhaoxing

On 31 December 2024, Beijing Yicheng, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Shanghai C&D Shenggao Enterprise Development Co., Ltd. ("C&D Shenggao"), Fuzhou Yucheng Real Estate Co., Ltd. ("Fuzhou Yucheng") and Beijing Zhaoxing Real Estate Development Co., Ltd. ("Beijing Zhaoxing"), pursuant to which, for the purpose of their subsequent cooperation in the development of the Land Parcel, Beijing Yicheng (i) agreed to provide Fuzhou Yucheng with the Earnest Money Loan in an aggregate amount of not exceeding RMB921,150,810 at an interest rate of 6% per annum; and (ii) conditionally agreed to acquire 36% equity interests in Beijing Zhaoxing.

On 16 April 2025, in light of the fulfillment of the acquisition conditions for Beijing Zhaoxing, Beijing Yicheng entered into an equity interests and claims transfer agreement with C&D Shenggao, Fuzhou Yucheng and Beijing Zhaoxing, pursuant to which, Beijing Yicheng and C&D Shenggao agreed to acquire 36% and 35% equity interests in Beijing Zhaoxing held by Fuzhou Yucheng on the same price benchmark, respectively, and acquire approximately RMB1,840.11 million of claims collectively from Fuzhou Yucheng which has provided a shareholder's loan to Beijing Zhaoxing with such principal and interest. The total consideration amounted to RMB1,840,111,571.10, of which the consideration for Beijing Yicheng's acquisition of 36% equity interest in Beijing Zhaoxing held by Fuzhou Yucheng and the claims with an amount of RMB933,014,317.74 was RMB933,014,317.74. Upon completion of the Beijing Zhaoxing Acquisition, the percentage of equity interests held by Beijing Yicheng, C&D Shenggao and Fuzhou Yucheng in Beijing Zhaoxing is 36%, 35% and 29%, respectively, and Beijing Zhaoxing has become an indirect non-wholly owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 31 December 2024 and 16 April 2025. The transaction was completed on 29 May 2025.

7 Provision of earnest money loan to Hangzhou Binjian

On 30 April 2025, Shanghai Jinmao Investment Management Group Co., Ltd. ("Shanghai Jinmao", a wholly-owned subsidiary of the Company), entered into the Loan Agreement with Hangzhou Binjian Corporate Management Company Limited ("Hangzhou Binjian"), pursuant to which, for the purpose of their subsequent cooperation negotiations regarding the development of the Land Parcel, Shanghai Jinmao agreed to provide Hangzhou Binjian with the Earnest Money Loan in an aggregate amount of not exceeding RMB1,121,691,149 at an interest rate of 1.55% per annum. The provision of the Earnest Money Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 30 April 2025.

8 Deemed disposal of equity interests in Beijing Ximao

On 10 June 2025, Beijing Yicheng (the Company's indirect wholly-owned subsidiary) entered into the Capital Increase Agreement with Jiaxing Chengmao Enterprise Management Partnership (Limited Partnership) ("Jiaxing Chengmao"), Yangzhou Xida Equity Investment Partnership (Limited Partnership) ("Yangzhou Xida"), Qingdao Yuanpu Nansan Consulting Services Partnership (Limited Partnership) ("Qingdao Yuanpu") and Beijing Ximao Real Estate Development Co., Ltd. ("Beijing Ximao"), pursuant to which Jiaxing Chengmao, Yangzhou Xida and Qingdao Yuanpu agreed to contribute a capital increase to Beijing Ximao at a consideration of RMB816.80 million, RMB314.21275 million and RMB400.48725 million, respectively; and Beijing Yicheng agreed to simultaneously contribute a capital increase to Beijing Ximao at a consideration of RMB1,010.79 million. Upon completion of the Beijing Ximao Capital Increase, Beijing Yicheng, Jiaxing Chengmao, Yangzhou Xida and Qingdao Yuanpu hold 40%, 32%, 12.31% and 15.69% equity interests in

Beijing Ximao, respectively, and jointly cooperate through Beijing Ximao in the development of the Target Land Parcel. Upon completion of the capital increase, Beijing Ximao has become an indirect non-wholly owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 10 June 2025. The transaction was completed on 27 June 2025.

9 Provision of loans

On 20 June 2025, Beijing Ximao, an indirect non-wholly owned subsidiary of the Company, entered into the Framework Agreement with its shareholders, namely Beijing Yicheng, Jiaxing Chengmao, Yangzhou Xida and Qingdao Yuanpu, pursuant to which Beijing Ximao agreed to provide loans to Beijing Yicheng, Jiaxing Chengmao, Yangzhou Xida and Qingdao Yuanpu (or their respective designated entities) in proportion to their respective shareholding ratio and on the same terms and conditions. It is expected that during the term of the Framework Agreement, the maximum daily balance (including accrued interests) of the loans provided by Beijing Ximao to Jiaxing Chengmao, Yangzhou Xida and Qingdao Yuanpu will be RMB1,553,442,208.00, RMB597,589,799.39 and RMB761,672,132.61, respectively. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 20 June 2025.

10 Acquisition of 49% equity interests in Shanghai Taomao

On 24 June 2025, Suzhou Tengmao Property Co., Ltd. ("Suzhou Tengmao", an indirect wholly-owned subsidiary of the Company) and Suzhou Chunmao Investment Partnership Enterprise (Limited Partnership) ("Suzhou Chunmao") entered into the Equity Transfer Agreement, pursuant to which Suzhou Tengmao agreed to acquire and Suzhou Chunmao agreed to sell 49% equity interests in Shanghai Taomao Property Co., Ltd. ("Shanghai Taomao") for a total consideration of approximately RMB2,136.89 million. Upon completion of the Transaction, Shanghai Taomao has become an indirect wholly-owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 24 June 2025. The transaction was completed on 24 June 2025.

11 Provision of loans

On 31 July 2025, Shanghai Baoyang Maoye Construction and Development Co., Ltd. ("Shanghai Baoyang", an indirect non-wholly owned subsidiary of the Company), entered into the Framework Agreement with its shareholders, namely Suzhou Tengmao, Shanghai Baoye Group Corp., Ltd. ("Shanghai Baoye") and Shanghai Yanghang Urban Construction Co., Ltd. ("Shanghai Yanghang"), pursuant to which Shanghai Baoyang agreed to provide loans to Suzhou Tengmao, Shanghai Baoye and Shanghai Yanghang (or their respective designated entities) in proportion to their respective shareholding ratio and on the same terms and conditions. It is expected that during the term of the Framework Agreement, the maximum daily balance (including accrued interests) of the loans provided by Shanghai Baoyang to Shanghai Baoye and Shanghai Yanghang will be RMB0.626 billion and RMB1.750 billion, respectively. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 31 July 2025.

12 Provision of loans

On 27 August 2025, Beijing Zhaoxing, an indirect non-wholly owned subsidiary of the Company, entered into the Framework Agreement with its shareholders, namely Fangxing Yicheng, Shanghai C&D and Fuzhou Yucheng, pursuant to which Beijing Zhaoxing agreed to provide loans to Fangxing Yicheng, Shanghai C&D and Fuzhou Yucheng (or their respective designated entities) in proportion to their respective shareholding ratio and on the same terms and conditions. It is expected that during the term of the Framework Agreement, the maximum daily balance (including accrued interests) of the loans provided by Beijing Zhaoxing to Shanghai C&D and Fuzhou Yucheng will be RMB1.95671 billion and RMB1.621274 billion, respectively. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 27 August 2025.

13 Deemed disposal of equity interests in Beijing Chaoxin and acquisition of equity interests in Beijing Manmao by way of capital increase

On 16 September 2025, (1) Beijing Yicheng (the Company's indirect wholly-owned subsidiary) entered into the Beijing Chaoxin Capital Increase Agreement with Poly (Beijing) Real Estate Development Co., Ltd. ("Poly Real Estate") and Beijing Chaoxin Shanzhu Real Estate Co., Ltd. ("Beijing Chaoxin"), pursuant to which Beijing Yicheng and Poly Real Estate agreed to contribute capital increase to Beijing Chaoxin at the same price basis, respectively, in which case, Beijing Yicheng contributed a capital increase to Beijing Chaoxin at a consideration of RMB350 million, and Poly Real Estate contributed a capital increase to Beijing Chaoxin at a consideration of RMB2,150 million. Upon completion of Capital Increase I, Beijing Yicheng and Poly Real Estate hold 30% and 70% equity interests in Beijing Chaoxin, respectively; (2) Beijing Yicheng (the Company's indirect wholly-owned subsidiary) entered into the Beijing Manmao Capital Increase Agreement with Poly Real Estate and Beijing Manmao Real Estate Co., Ltd. ("Beijing Manmao"), pursuant to which Beijing Yicheng and Poly Real Estate agreed to contribute capital increase to Beijing Manmao at the same price basis, respectively, in which case, Beijing Yicheng contributed a capital increase to Beijing Manmao at a consideration of RMB2,150 million, and Poly Real Estate contributed a capital increase to Beijing Manmao at a consideration of RMB350 million. Upon completion of Capital Increase II, Beijing Yicheng and Poly Real Estate hold 70% and 30% equity interests in Beijing Manmao, respectively. The two transactions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, respectively. For details, please refer to the announcement of the Company dated 16 September 2025. The two transactions were completed on 19 December 2025 and 10 December 2025, respectively.

14 Provision of loans

On 28 November 2025, Shanghai Qinmaojia Real Estate Co., Ltd. ("Shanghai Qinmaojia", an indirect non-wholly owned subsidiary of the Company), entered into the Framework Agreement with its shareholders, namely Xi'an Baomao Real Estate Co., Ltd. ("Xi'an Baomao") and Qinruijia (Shanghai) Real Estate Co., Ltd. ("Qinruijia Shanghai"), pursuant to which Shanghai Qinmaojia agreed to provide loans to Xi'an Baomao and Qinruijia Shanghai (or their respective designated entities) in proportion to their respective shareholding ratio and on the same terms and conditions. It is expected that during the term of the Framework Agreement, the maximum daily balance (including accrued interests) of the loans provided by Shanghai Qinmaojia to Qinruijia Shanghai will be RMB1,032 million. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 28 November 2025.

15 Disposal of 100% equity interests in Sanya Tourism

On 23 December 2025, Shanghai Jinmao entered into the Equity Transfer Agreement with Sanya Luanmao Hotel Management Co., Ltd. ("Sanya Luanmao", 100% owned by CITIC Securities Company Limited as the manager of "CITIC Securities-China Jinmao Sanya Hotel Asset-backed Special Scheme" which has completed issuance, as the transferee, delisted through the public listing procedure), pursuant to which Sanya Luanmao agreed to acquire and Shanghai Jinmao agreed to dispose of the 100% equity interest in Sanya Tourism for a final total transfer consideration of RMB2,264.6 million. The transaction constitutes a discloseable transaction of the Company. For details, please refer to the announcements of the Company dated 21 November 2025, 23 December 2025 and 31 December 2025. The transaction was completed on 31 December 2025.

MATERIAL LITIGATION

For the year ended 31 December 2025, the Company was not subject to any material litigation that could have an adverse impact on the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed under the section(s) headed "Issuance of Notes and Bonds" and "Redemption of Notes" under the "Report of the Directors" in this report, there were no material events of the Group after the Reporting Period.

AUDITOR

The financial reports of the Group have been audited by Ernst & Young, who has offered itself for reappointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint Ernst & Young as the auditor of the Company. The Company did not change its auditor in the past three years.

On Behalf of the Board
TAO Tianhai
Chairman

Independent Auditor's Report

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To the members of China Jinmao Holdings Group Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Jinmao Holdings Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 151 to 279, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Revaluation of investment properties The Group adopted the fair value model for its investment properties in accordance with HKAS 40 *Investment Property*. Changes in fair values were recognised in profit or loss. The valuations on the investment properties of the Group as at 31 December 2025 were determined by management or with the assistance of independent appraisers engaged by management. Different valuation techniques were applied to the valuation of these investment properties. As both the year-end balance of RMB39,319,404,000 and the changes in fair value of RMB153,477,000 were significant, and the valuation involved management judgement and estimates based on a projection of future rental income, growth rate, vacancy rate, discount rate and reversionary yield, we considered the revaluation of investment properties a key audit matter of our audit. Relevant disclosures are included in notes 3 and 18 to the consolidated financial statements.	We obtained an understanding of the management's fair value measurement of investment properties. We considered the competence, capabilities and objectivity of the external appraisers. We involved our internal real estate valuation specialists to assist us in evaluating the valuation techniques and the underlying assumptions for selected samples. We compared market rental assumptions against actual rents of existing lease contracts and external market rents, expected vacancy rate against historical data maintained by the Group, and the discount rate, the growth rate and reversionary yield against those of peers with similar nature and area of properties. We also assessed the adequacy of the disclosures of investment properties in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying values of properties for sale held by the Group, its associates and joint ventures As at 31 December 2025, the total carrying value of the Group's properties for sale, including properties under development and properties held for sale, amounted to RMB173,491,440,000. Besides, as at 31 December 2025, the total carrying values of investments in associates and joint ventures, and the amounts due from associates and joint ventures amounted to RMB85,645,639,000. Given the properties for sale represented the majority of the total assets of these associates and joint ventures, management's assessment on the carrying values of the properties for sales held by them would affect the value of the investments in and amounts due from these companies. The assessment of the carrying values of the properties for sale is complex because it involves significant management judgements and estimates regarding, among others, the net realisable value (the "NRV") of the properties for sale and anticipated construction costs to be incurred to complete the properties under development based on existing plans. Relevant disclosures are included in notes 3, 15, 17, 22, 23 and 28 to the consolidated financial statements.	We obtained an understanding of the management's assessment of the carrying values of properties for sale. In assessing the NRV of the properties for sale, we evaluated, on a sample basis, the reasonableness of the forecasted selling price based on the current market price of properties of comparable locations and conditions, and our knowledge of the Group's business and the current market development in the real estate industry, where appropriate. For construction costs to be incurred to complete properties under development, we obtained an understanding of the management's process in estimating the future costs to completion for the properties under development and assessed the reasonableness of the budgeted construction costs, on a sample basis, by comparing to the actual development costs of similar projects recently completed by the Group and by checking to construction contracts and other relevant documents. We re-calculated the carrying values of the properties for sale based on management's methodology at the year end. We also assessed the adequacy of the disclosures of carry value for properties for sale in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS 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 as issued by the HKICPA and 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Man Kit (practising certificate number: P04453).

Ernst & Young
Certified Public Accountants
Hong Kong

24 March 2026

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	**59,371,324**	59,052,954
Cost of sales		**(50,149,990)**	(50,456,068)
Gross profit		**9,221,334**	8,596,886
Other income and gains	5	**3,852,269**	4,306,787
Selling and marketing expenses		**(2,189,086)**	(2,287,492)
Administrative expenses		**(2,535,215)**	(2,916,978)
Other expenses and losses, net	7	**(1,458,205)**	(2,033,897)
Finance costs	8	**(2,291,122)**	(2,534,525)
Share of profits and losses of:			
Joint ventures		**(3,760)**	988,412
Associates		**371,377**	318,778
PROFIT BEFORE TAX	6	**4,967,592**	4,437,971
Income tax expense	11	**(2,779,458)**	(2,238,274)
PROFIT FOR THE YEAR		**2,188,134**	2,199,697
Attributable to:			
Owners of the parent		**1,253,200**	1,064,809
Non-controlling interests		**934,934**	1,134,888
		2,188,134	2,199,697
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13	**RMB cents**	RMB cents
Basic		**4.38**	5.19
Diluted		**4.38**	5.19

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR		**2,188,134**	**2,199,697**
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**201,033**	(666,906)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax		**201,033**	(666,906)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Gains on property revaluation	14	**45,385**	–
Income tax effect	36	**(11,346)**	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		**34,039**	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**235,072**	(666,906)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,423,206**	1,532,791
Attributable to:			
Owners of the parent		**1,604,257**	273,663
Non-controlling interests		**818,949**	1,259,128
		2,423,206	1,532,791

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**13,604,126**	13,581,471
Properties under development	15	**69,286,437**	68,643,514
Land under development	16	**25,959,304**	25,000,111
Investment properties	18	**39,319,404**	36,482,002
Right-of-use assets	19(a)	**1,108,102**	1,273,216
Goodwill	20	**479,874**	479,874
Intangible assets	21	**392,266**	401,115
Investments in joint ventures	22	**29,283,995**	30,483,729
Investments in associates	23	**26,654,140**	23,239,619
Deferred tax assets	36	**3,040,239**	3,089,818
Due from non-controlling shareholders	31	**649,571**	1,488,749
Due from related parties	28	**1,585,892**	3,363,403
Prepayments, other receivables and other assets	26	**347,263**	319,671
Trade receivables	25	**2,739,890**	2,669,350
Other financial assets	29	**5,516,671**	5,685,102
Total non-current assets		**219,967,174**	216,200,744
CURRENT ASSETS			
Properties under development	15	**67,165,682**	40,806,977
Properties held for sale	17	**37,039,321**	39,250,426
Land under development	16	**1,877,409**	2,941,885
Inventories	24	**643,993**	585,545
Trade and bills receivables	25	**2,215,581**	2,128,895
Contract assets	27	**1,466,464**	1,341,452
Prepayments, other receivables and other assets	26	**47,800,688**	42,689,292
Due from related parties	28	**25,866,372**	24,138,611
Prepaid tax		**5,302,113**	4,316,771
Other financial assets	29	**40**	40
Restricted bank balances	30	**3,985,732**	4,050,695
Cash and cash equivalents	30	**28,403,232**	30,805,085
Total current assets		**221,766,627**	193,055,674

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	32	**24,218,955**	22,858,047
Other payables and accruals	33	**88,321,381**	70,673,497
Interest-bearing bank and other borrowings	34	**28,124,597**	21,607,045
Lease liabilities	19(b)	**312,075**	222,599
Due to related parties	28	**57,315,682**	53,534,067
Tax payable		**2,952,141**	2,909,832
Provision for land appreciation tax	35	**2,358,489**	1,523,957
Total current liabilities		**203,603,320**	173,329,044
NET CURRENT ASSETS		**18,163,307**	19,726,630
TOTAL ASSETS LESS CURRENT LIABILITIES		**238,130,481**	235,927,374
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	34	**100,887,385**	101,193,870
Lease liabilities	19(b)	**825,452**	902,876
Other payables and accruals	33	**2,044,063**	2,287,296
Due to related parties	28	**5,097,941**	13,944,689
Deferred tax liabilities	36	**9,714,206**	9,320,041
Total non-current liabilities		**118,569,047**	127,648,772
Net assets		**119,561,434**	108,278,602
EQUITY			
Equity attributable to owners of the parent			
Share capital	38	**26,933,580**	26,925,023
Perpetual capital instrument		**15,195,750**	15,195,750
Other reserves		**11,107,722**	11,454,358
		53,237,052	53,575,131
Non-controlling interests		**66,324,382**	54,703,471
Total equity		**119,561,434**	108,278,602

Tao Tianhai
Director

Qiao Xiaojie
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

		Attributable to owners of the parent												
	Notes	Share capital RMB'000 (note 38)	Capital reserve RMB'000 (note 40)	Asset revaluation reserve RMB'000 (note 40)	PRC statutory surplus reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000 (note 40)	Share option reserve RMB'000 (note 40)	Retained profits RMB'000	Merger reserve RMB'000	Perpetual capital instrument RMB'000 (note 37(b))	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024		26,917,815	(3,100,991)	252,721	7,694,890	(4,565,387)	1,623	156,157	12,264,468	(330,000)	–	39,291,296	70,545,821	109,837,117
Profit for the year		–	–	–	–	–	–	–	701,330	–	363,479	1,064,809	1,134,888	2,199,697
Other comprehensive income/ (loss) for the year:														
Exchange differences on translation of foreign operations		–	–	–	–	(791,146)	–	–	–	–	–	(791,146)	124,240	(666,906)
Total comprehensive income/(loss) for the year		–	–	–	–	(791,146)	–	–	701,330	–	363,479	273,663	1,259,128	1,532,791
Issue of perpetual capital instruments	37	–	–	–	–	–	–	–	–	–	15,000,000	15,000,000	–	15,000,000
Redemption of perpetual capital instruments	37	–	–	–	–	–	–	–	–	–	–	–	(11,871,667)	(11,871,667)
Perpetual capital instruments' distribution		–	–	–	–	–	–	–	–	–	(167,729)	(167,729)	(622,116)	(789,845)
Acquisition of subsidiaries	41	–	–	–	–	–	–	–	–	–	–	–	771,180	771,180
2024 interim dividend settled by cash	12	–	–	–	–	–	–	–	(369,997)	–	–	(369,997)	–	(369,997)
2024 interim dividend settle by scrip dividend	12	7,208	–	–	–	–	–	–	(7,208)	–	–	–	–	–
Acquisition of non-controlling interests	42	–	(481,575)	–	–	–	–	–	–	–	–	(481,575)	(2,620,622)	(3,102,197)
Capital repayment to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	–	(6,362,967)	(6,362,967)
Capital contribution from non-controlling shareholders		–	29,473	–	–	–	–	–	–	–	–	29,473	4,713,675	4,743,148
Dividends distribution to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	–	(914,898)	(914,898)
Disposal of subsidiaries	43	–	–	–	–	–	–	–	–	–	–	–	(194,063)	(194,063)
Transfer from retained profits		–	–	–	55,153	–	–	–	(55,153)	–	–	–	–	–
At 31 December 2024		26,925,023	(3,553,093)*	252,721*	7,750,043*	(5,356,533)*	1,623*	156,157*	12,533,440*	(330,000)*	15,195,750	53,575,131	54,703,471	108,278,602

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Notes	Attributable to owners of the parent												
		Share capital RMB'000 (note 38)	Capital reserve RMB'000 (note 40)	Asset revaluation reserve RMB'000 (note 40)	PRC statutory surplus reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000 (note 40)	Share option reserve RMB'000 (note 40)	Retained profits RMB'000	Merger reserve RMB'000	Perpetual capital instrument RMB'000 (note 37(b))	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025		26,925,023	(3,553,093)	252,721	7,750,043	(5,356,533)	1,623	156,157	12,533,440	(330,000)	15,195,750	53,575,131	54,703,471	108,278,602
Profit for the year		-	-	-	-	-	-	-	591,637	-	661,563	1,253,200	934,934	2,188,134
Other comprehensive income/ (loss) for the year:														
Exchange differences on translation of foreign operations		-	-	-	-	317,018	-	-	-	-	-	317,018	(115,985)	201,033
Net gain on property revaluation		-	-	34,039	-	-	-	-	-	-	-	34,039	-	34,039
Total comprehensive income/(loss) for the year		-	-	34,039	-	317,018	-	-	591,637	-	661,563	1,604,257	818,949	2,423,206
Redemption of perpetual capital instruments	37	-	-	-	-	-	-	-	-	-	-	-	(3,039,701)	(3,039,701)
Perpetual securities' distribution		-	-	-	-	-	-	-	-	-	(661,563)	(661,563)	(214,890)	(876,453)
Acquisition of subsidiaries	41	-	-	-	-	-	-	-	-	-	-	-	2,728,219	2,728,219
2025 interim dividend settled by cash	12	-	-	-	-	-	-	-	(369,361)	-	-	(369,361)	-	(369,361)
2025 interim dividend settle by scrip dividend	12	8,557	-	-	-	-	-	-	(8,557)	-	-	-	-	-
Acquisition of non-controlling interests	42	-	(888,566)	-	-	-	-	-	-	-	-	(888,566)	(3,682,315)	(4,570,881)
Capital repayment to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(9,534,120)	(9,534,120)
Capital contribution from non-controlling shareholders		-	(21,223)	-	-	-	-	-	-	-	-	(21,223)	25,404,994	25,383,771
Dividends distribution to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(757,425)	(757,425)
Disposal of subsidiaries	43	-	-	-	-	-	(1,623)	-	-	-	-	(1,623)	(102,800)	(104,423)
Transfer from retained profits		-	-	-	215,300	-	-	-	(215,300)	-	-	-	-	-
At 31 December 2025		26,933,580	(4,462,882)*	286,760*	7,965,343*	(5,039,515)*	–*	156,157*	12,531,859*	(330,000)*	15,195,750	53,237,052	66,324,382	119,561,434

* These reserve accounts comprise the consolidated other reserves of RMB11,107,722,000 (2024: RMB11,454,358,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		4,967,592	4,437,971
Adjustments for:			
Finance costs	8	2,291,122	2,534,525
Share of profits and losses of joint ventures and associates		(367,617)	(1,307,190)
Interest income	5	(916,668)	(1,070,306)
Other investment income	5	(4,704)	(199,254)
Loss/(gain) on disposal of items of property, plant and equipment	6	13,597	(3,344)
Provision of impairment of trade and bills receivables	6	94,564	20,107
Provision of impairment of contract assets	6	17,972	–
Impairment of amounts due from related parties	6	284,244	–
Impairment of properties under development	6	529,584	1,079,989
Impairment of properties held for sale	6	81,970	176,481
Impairment of land under development	6	7,850	136,059
Fair value losses on investment properties	6	153,477	336,982
Fair value gains on transfers from properties held for sale to investment properties	5	(282)	(1,396)
Impairment of property, plant and equipment	6	108,678	51,213
Impairment of right-of-use assets	6	25,080	–
Loss/(gain) on revision of a lease term arising from a change in the non-cancellable period of a lease		31,835	(7,146)
Depreciation of property, plant and equipment	6	591,236	587,435
Depreciation of right-of-use assets	6	58,410	126,933
Amortisation of intangible assets	6	77,742	42,600
Gain on disposal of subsidiaries	5	(2,111,518)	(2,094,092)
Fair value gains on the equity interests previously held as investments in joint ventures	5	(260,937)	(149,853)
Gain on bargain purchase	5	–	(2,625)
Gain on disposal of investments in joint ventures and associates	5	(17,678)	(27,789)
Change in fair value of trade receivables at fair value through profit or loss	6	15,620	(94,076)
Fair value losses on other financial asset	6	39,982	52,546
		5,711,151	4,625,770
Increase in properties under development		(65,844,500)	(40,818,089)
Decrease in properties held for sale		45,480,040	46,968,505
Decrease/(increase) in land under development		375,857	(1,405,137)
(Increase)/decrease in inventories		(129,656)	93,071
Increase in trade and bills receivables		(356,235)	(244,471)
Increase in contract assets		(142,984)	(918,303)
Decrease/(increase) in prepayments, other receivables and other assets		5,532,798	(8,296,808)

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
(Increase)/decrease in amounts due from related parties		(1,450,206)	514,785
Decrease in trade and bills payables		(104,087)	(6,475,171)
Increase in other payables and accruals		14,176,109	2,369,446
(Decrease)/increase in amounts due to related parties		(229,228)	880,621
Effect of exchange rate changes, net		(582,691)	125,715
Cash generated from/(used in) operations		2,436,368	(2,580,066)
Interest received		835,229	800,110
PRC corporate income tax paid		(2,270,005)	(770,335)
Land appreciation tax paid		(538,501)	(1,078,054)
Net cash flows from/(used in) operating activities		463,091	(3,628,345)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received from unlisted investments		4,704	199,254
Purchases of items of property, plant and equipment		(390,540)	(703,051)
Proceeds from disposal of items of property, plant and equipment		249,016	98,084
Proceeds from disposal of intangible assets		618	153
Proceeds from disposal of right-of-use assets		36,502	–
Additions to investment properties		(823,874)	(36,048)
Proceeds from disposal of investment properties		30,200	157,470
Additions to intangible assets		(79,618)	(62,917)
Decrease in other financial assets		128,449	219,149
Disposal of subsidiaries	43	1,330,716	207,579
Acquisition of subsidiaries	41	(573,049)	(466,622)
Dividends received from joint ventures and associates		207,179	336,438
Investments in joint ventures		(1,411,061)	(2,627,277)
Investments in associates		(4,559,625)	(305,127)
Decrease in loans to joint ventures and associates		907,772	1,012,455
Decrease in entrustment loans to substantial shareholders		–	(8,614)
Repayment of investment from third parties		19,020	124,313
Decrease in restricted bank deposits		64,963	2,865,289
Net cash flows (used in)/from investing activities		(4,858,628)	1,010,528

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of perpetual capital instruments, net of issue expenses		–	15,000,000
New bank and other borrowings		72,892,964	43,911,584
Repayment of bank and other borrowings		(64,473,919)	(40,178,973)
Interest paid		(6,483,843)	(6,975,016)
Advance of investment from third parties		1,536,824	2,850,005
Repayment of investment from third parties		(3,530,005)	–
Principal portion of lease payments		(49,120)	(105,678)
Dividends paid		(369,361)	(369,997)
Dividends paid to non-controlling shareholders		(175,551)	(545,210)
Capital repayment of non-controlling shareholders		(744,254)	(433,066)
Loans from non-controlling shareholders		1,044,146	100,668
Repayment of loans from non-controlling shareholders		(12,180,922)	(2,741,604)
Acquisition of non-controlling interests		(3,036,598)	(2,022,661)
Capital contribution from non-controlling shareholders		19,083,378	4,266,149
Distributions of perpetual capital instruments paid		(876,453)	(789,845)
(Repayment)/advance of loans from related parties		(638,034)	2,406,867
Redemption of perpetual capital instruments		–	(11,871,667)
Net cash flows from financing activities		1,999,252	2,501,556
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,396,285)	(116,261)
Cash and cash equivalents at beginning of year		30,805,085	30,919,968
Effect of foreign exchange rate changes, net		(5,568)	1,378
CASH AND CASH EQUIVALENTS AT END OF YEAR		28,403,232	30,805,085
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	30	28,403,232	30,805,085

Notes to Financial Statements

Year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

China Jinmao Holdings Group Limited (the "Company") is a limited liability company incorporated in Hong Kong on 2 June 2004 under the Hong Kong Companies Ordinance. The registered office of the Company is located at Rooms 4702-03, 47/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") since 17 August 2007.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- property development
- property investment
- hotel operations
- provision of property management services
- provision of design and decoration services, building technology and other services

In the opinion of the directors, the immediate holding company of the Company is Sinochem Hong Kong (Group) Company Limited, a company incorporated in Hong Kong, and the ultimate holding company of the Company is Sinochem Holdings Corporation Ltd., a company established in the People's Republic of China (the "PRC") and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Chongqing Xingqian Properties Development Co., Ltd.*	PRC/Chinese mainland	RMB2,884,540,000	–	73%	Property development
Nanjing Xingtuo Investment Co., Ltd.**	PRC/Chinese mainland	RMB3,000,000,000	–	80%	Property development
Beijing Xingmao Chemsunny Enterprise Management Co., Ltd.***	PRC/Chinese mainland	US$102,400,000	50%	50%	Property investment
China Jin Mao Group Co., Ltd.***	PRC/Chinese mainland	RMB2,635,000,000	–	100%	Hotel operation and property investment

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Changsha Jinmao City Construction Limited**	PRC/Chinese mainland	RMB2,962,500,000	–	100%	Property development
Jinmao Assets Management Limited Partnership	Cayman Islands/ Hong Kong	RMB23, 343,018,000	95%	5%	Investment holding
Hangzhou Qinmao Property Development Co., Ltd.**	PRC/Chinese mainland	RMB4, 000, 000,000	–	60%	Property development
Wuhan Huazi Enterprise Management Consulting Co., Ltd.**	PRC/Chinese mainland	RMB6, 520, 000,000	–	100%	Investment holding
Beijing Fangxing Yicheng Property Co., Ltd.***	PRC/Chinese mainland	RMB6, 000, 000,000	–	100%	Property development
Qingdao Maochuang Technology Co., Ltd.***	PRC/Chinese mainland	US$1,431,935,900	36.31%	63.69%	Property development
Changshu Yumao Property Co., Ltd.**	PRC/Chinese mainland	RMB4,000,000,000	–	54%	Property development
Shanghai Taomao Property Co., Ltd.***	PRC/Chinese mainland	RMB3,710,000,000	–	100%	Property development
Nanjing Maocheng Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB4,800,000,000	–	25%^	Property development
Suzhou Xinmao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB3,690,000,000	–	51%	Property development
Shanghai Zhenmao Real Estate Co., Ltd.*	PRC/Chinese mainland	RMB4,000,000,000	–	51%	Property development

Notes to Financial Statements

Year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Jinmao Investment Management Group Co., Ltd*	PRC/Chinese mainland	US$10,000,000	80%	20%	Investment management
Shanghai Jin Mao Construction & Decoration Company Ltd.**	PRC/Chinese mainland	RMB200,000,000	–	100%	Decoration service
Beijing Xingmao Property Co., Ltd.**	PRC/Chinese mainland	RMB20,000,000	–	100%	Property development
Franshion Brilliant Limited	British Virgin Islands/ Hong Kong	US$1	100%	–	Investment holding
Beijing Xi Mao Property Co., Ltd.**	PRC/Chinese mainland	RMB2,500,000,000	–	40%#	Property development
Ningbo Yongmao Construction and Development Co., Ltd.**	PRC/Chinese mainland	RMB400,000,000	–	80%	Property development
Tianjin Donghui Production and Innovation Co., Ltd.**	PRC/Chinese mainland	RMB5,485,951,000	–	100%	Property development
Zhengzhou Zhanteng Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB1,000,000	–	34%^^	Property development
Xi'an Mingmao Property Co., Ltd.**	PRC/Chinese mainland	RMB1,833,333,330	–	80%	Property development
Beijing Shengmao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB190,000,000	–	100%	Property development
Shanghai Xiaomao Real Estate Co., Ltd.***	PRC/Chinese mainland	RMB3,281,208,000	–	100%	Property development
Xi'an Huimao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB670,000,000	–	30%^	Property development

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Xi'an Baomao Real Estate Co., Ltd.***	PRC/Chinese mainland	RMB500,000,000	2%	56%	Property development
Shanghai Qinmaojia Real Estate Co., Ltd.*	PRC/Chinese mainland	RMB9,290,313,800	–	52%	Property development
Beijing Maoyue Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB4,263,340,000	–	33%#	Property development
Beijing Zhaoxing Real Estate Development Co., Ltd.**	PRC/Chinese mainland	RMB4,514,500,000	–	36%#	Property development
Sinochem Jinmao Property Management (Beijing) Co., Ltd.***	PRC/Chinese mainland	RMB100,000,000	–	67%	Property Services
Xi'an Changmao Real Estate Co., Ltd.***	PRC/Chinese mainland	RMB666,670,000	1.5%	74%	Property development
Xi'an Changmao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB1,080,000,000	–	100%	Property development
Qingdao Fangyue Property Co., Ltd.**	PRC/Chinese mainland	RMB680,000,000	–	68%	Property development
Taiyuan Xinmao Tianhe Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB880,341,944	–	100%	Property development
Wenzhou Kangmao Real Estate Co., Ltd.***	PRC/Chinese mainland	RMB496,147,800	–	100%	Property development
Xiongan Jinmao Enterprise Management Co., Ltd.**	PRC/Chinese mainland	RMB574,730,000	–	100%	Property development
Zhuji Yuemao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB10,000,000	–	100%	Property development

Notes to Financial Statements

Year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Chongqing Jiumao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB800,000,000	–	100%	Property development
Ningbo Yongyun Real Estate Development Co., Ltd.**	PRC/Chinese mainland	RMB620,000,000	–	100%	Property development
Qingdao Shiyuan Fangmao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB990,000,000	–	51%	Property development
Hangzhou Chengsheng Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB944,180,000	–	51%	Property development
Nanjing Jiatai Zhumao Real Estate Co., Ltd.**	PRC/Chinese mainland	RMB550,000,000	–	51%	Property development

* Registered as Sino-foreign joint ventures under PRC law
** Registered as limited liability companies under PRC law
*** Registered as wholly-foreign-owned entities under PRC law
^ The Group is entitled to 51% voting rights at the shareholders' meetings, and therefore has the power to exercise control over the entity's operating and management activities.
# The Group controls the boards of directors or the shareholders' meetings of these entities by virtue of its power to cast the majority of votes at the meetings of the respective boards or the shareholders, and therefore the Group has the power to exercise control over the entities' operating.
^^ The Group is entitled to 67% voting rights at the shareholders' meetings, and therefore has the power to exercise control over the entity's operating and management activities.

The English names of certain of the above companies represent the best efforts by management of the Company in directly translating the Chinese names of these companies as no English names have been registered or available.

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.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, other financial assets and certain trade receivables which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective HKFRS accounting standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS accounting standards (Continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows,* HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS accounting standards (Continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS accounting standards (Continued)

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Fair value measurement

The Group measures its investment properties, certain trade receivables and certain financial assets fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, properties under development, land under development, properties held for sale, contract assets, deferred tax assets, financial 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. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated 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, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". 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.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Hotel properties	1.7% – 9.5%
Leasehold improvements	9% – 50%
Buildings	2% – 5%
Furniture, fixtures and office equipment	20% – 33.3%
Motor vehicles	8.3% – 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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 investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation with surplus credited to the asset revaluation reserve and deficit charged to the statement of profit or loss. 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.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

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

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Intangible assets (other than goodwill)

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 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.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 1 to 10 years.

Contractual right

Contractual right is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated life of 12 years.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 70 years
Office properties, equipments and staff quarters	2 to 15 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as properties held for sale, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "properties held for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases (Continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Land under development

Land under development is stated at the lower of cost and net realisable value and comprises the compensation for land requisition, project costs, other preliminary infrastructure costs, borrowing costs, professional fees and other costs directly attributable to such land under development during the development period.

Land under development which has been pre-sold or intended for sale and is expected to be completed within one year from the end of the reporting period is classified under current assets. Net realisable value takes into account the Group's proceeds derived from the sale of land under development by government authorities, less costs to completion and the costs to be incurred in realising the revenue derived from the sale of land under development based on prevailing market conditions.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development which have been pre-sold or intended for sale and are expected to be completed within one year from the end of the reporting period are classified under current assets. On completion, the properties are transferred to properties held for sale.

Properties held for sale

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

Cost of 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 sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes certain long-term trade receivables and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings and lease liabilities 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 any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Inventories

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

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.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of completed properties

Revenue from the sale of completed properties is recognised at the point in time when control of the asset is transferred to the customer, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has obtained the right to payment and the collection of the consideration is probable;

(b) Land development

Revenue from land development is recognised at the point in time when control of the asset is transferred to the customers, that is when the related construction works have been completed as well as land is sold, and the collectability of the proceeds from land sales is reasonably assured;

(c) Hotel operations

Hotel and other service income is recognised in the period in which such services are rendered because the customer simultaneously receives and consumes the benefits provided by the Group;

(d) Property management services

Revenue from the rendering of property management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Value-added services provided to the customer is recognised over time, in the amount to which the Group has a right to invoice, when the customer simultaneously receives and consumes the benefits provided by the Group, otherwise, is recognised at the point in time when the services are rendered and accepted by the customer;

(e) Design, construction and decoration services

Revenue from the provision of design, construction and decoration services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the design, construction and decoration services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as properties under development, land under development, inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the Chinese mainland 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 statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a weighted average capitalisation rate of 3.77% has been applied to the expenditure on the group level.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

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

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, while the Company's functional currency is HK$. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Notes to Financial Statements

Year ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and subsidiaries incorporated outside Chinese mainland are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and subsidiaries incorporated outside Chinese mainland are translated into RMB at the exchange rate ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arises throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation or both. Judgement is made by management in determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development if the properties are intended for sale after completion. Upon completion of construction, properties under development are transferred to completed properties held for sale and are stated at cost. Properties under construction are accounted for as investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation after completion.

Deferred tax assets

Deferred tax assets are recognised for 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 the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB22,754,642,000 (2024: RMB18,185,713,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB5,688,661,000 (2024: RMB4,546,428,000). Further details on deferred taxes are disclosed in note 36 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB479,874,000 (2024: RMB479,874,000). Further details are given in note 20.

Provision for expected credit losses on trade receivables at amortised cost and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables at amortised cost and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the properties development sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables at amortised cost and contract assets is disclosed in note 25 and note 27 to the financial statements, respectively.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on amounts due from joint ventures and associates

The Group uses general approach to calculate ECLs on the amounts due from joint ventures and associates. For those associates and joint ventures undertaking property development projects, if applicable, the provision is measured at an amount equal to the lifetime ECL which would be calculated by taking into account the impairment losses of the properties under development and properties held for sale held by the associates and joint ventures. The ECLs reflect the current conditions and forecasts of future economic conditions, as appropriate. The assessment of the carrying value of properties under development and properties held for sale held by the associates and joint ventures and ECLs is a significant estimate. Further details are disclosed in note 28 to the financial statements.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 December 2025 was RMB39,319,404,000 (2024: RMB36,482,002,000). Further details, including the key assumptions used for the fair value measurement, are given in note 18 to the financial statements.

Impairment of non-financial assets

The Groups assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Measurement of properties under development

The Group's properties under development is stated at the lower of cost and net realisable value. Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. An apportionment of these costs will be recognised in the statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a particular phase are recorded as the cost of such phase. Common costs are allocated to individual phases based on the estimated saleable area of the entire development project. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect profit or loss in future years.

Based on the Group's recent experience and the nature of the subject project, the Group makes estimates of cost of properties under development, and its net realisable value, i.e., the revenue to be derived from the properties under development for sale, less costs to completion and the costs to be incurred in realising the revenue from the sale of properties under development based on prevailing market conditions.

If the cost is higher than the estimated net realisable value, provision for the excess of cost of properties under development over its net realisable value should be made. Such provision would require the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties under development in the periods in which such estimate is changed will be adjusted accordingly. The carrying amount of properties under development at 31 December 2025 was RMB136,452,119,000 (2024: RMB109,450,491,000). Further details are given in note 15 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Measurement of land under development

The Group's land under development is stated at the lower of cost and net realisable value. Costs of land under development during the construction stage, before the final settlement of the development costs and other costs relating to the land under development are accrued by the Group based on management's best estimate. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect profit or loss in future years. Based on the Group's recent experience and the nature of the subject land development, the Group makes estimates of cost allocated to each parcel of land under development, and its net realisable value, i.e., the revenue to be derived from the land under development for sale by government authorities, less costs to completion and the costs to be incurred in realising the revenue from the sale of land under development based on prevailing market conditions.

If the cost is higher than the estimated net realisable value, provision for the excess of cost of land under development over its net realisable value should be made. Such provision would require the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for land under development in the periods in which such estimate is changed will be adjusted accordingly. The carrying amount of land under development at 31 December 2025 was RMB27,836,713,000 (2024: RMB27,941,996,000). Further details are given in note 16 to the financial statements.

Estimation of net realisable value for properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. The net realisable value is assessed with reference to market conditions and prices existing at the end of the reporting period and is determined by the Group having taken suitable external advice and in light of recent market transactions. The carrying amount of properties held for sale at 31 December 2025 was RMB37,039,321,000 (2024: RMB39,250,426,000). Further details are given in note 17 to the financial statements.

Provision for impairment of properties for sale

Management reviews the market conditions of properties for sale held by the Group and associates and joint ventures at the end of each reporting period, and makes provision for impairment of properties for sale identified that the net realisable value is lower than cost. Management estimates the net realisable value for properties for sale based primarily on the latest selling prices and current market conditions. If the condition was to deteriorate so that the actual provision might be higher than expected, the Group would be required to revise the basis of making the provision and its future results would be affected. Further details are given in notes 15 and 17 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

PRC corporate income tax

The Group is subject to income taxes in the PRC. As a result of the fact that certain matters relating to the 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 to be made. 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. The carrying amount of income tax payable at 31 December 2025 was RMB2,952,141,000 (2024: RMB2,909,832,000).

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 the 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 local tax authorities upon the completion of the Group's property development projects. The Group has not finalised its LAT tax returns and payments with the local tax authorities for its property development projects. When the final outcome is determined, it may be different from the amounts that were initially recorded, and any differences will affect the current income tax expense and LAT provision in the period which LAT is ascertained. The carrying amount of provision for LAT at 31 December 2025 was RMB2,358,489,000 (2024: RMB1,523,957,000). Further details are given in note 35 to the financial statements.

Fair value measurement of certain trade receivables at fair value through profit or loss

Certain of the Group's trade receivables amounting to RMB2,683,890,000 as at 31 December 2025 (2024: RMB2,602,150,000) are classified as financial assets at fair value through profit or loss and measured at fair value, which was determined by management with the assistance of an independent qualified professional valuer. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant input thereof, mainly including estimated repayment periods. Further details are given in note 49. Changes to these assumptions would result in changes in the fair values of these trade receivables and the corresponding adjustments to the amount of gain or loss reported in profit or loss.

Fair value of investment in a land development project

The investment in a land development project has been valued based on income approach model. The valuation requires the Group to determine key assumptions and parameters, such as development schedule, revenue growth rate by reference to historical growth rate and discount rates by reference to the ones applied by comparative companies. The Group classifies the fair value of this investment as Level 3. The fair value of the investment in a land development project at 31 December 2025 was RMB5,333,541,000 (2024: RMB 5,415,274,000). Further details are included in note 29 to the financial statements.

4. OPERATING SEGMENT INFORMATION

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

(a) the property development segment develops residential and comprehensive properties;

(b) the property investment segment leases office and retail commercial premises;

(c) the hotel operations segment provides hotel accommodation services, food and beverage;

(d) the Jinmao services segment provides property management services, value-added services to non-property owners, community value-added services; and

(e) the "others" segment mainly comprises the provision of design and decoration services, and the building technology and other services.

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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, other investment income, non-lease-related finance costs and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, prepaid tax, restricted bank balances, cash and cash equivalents, certain financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings and related interest payables, tax payable, provision for land appreciation tax, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted in accordance with the terms and conditions mutually agreed by the parties involved.

The Group's operations are mainly conducted in Chinese mainland. Management considered there is one reportable geographic segment as all revenues from external customers are generated in Chinese mainland and the Group's significant non-current assets are located in Chinese mainland.

Notes to Financial Statements

Year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2025	Property development RMB'000	Property investment RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	49,475,914	1,595,219	1,620,165	3,204,285	3,475,741	59,371,324
Intersegment sales	–	76,896	–	463,548	1,944,145	2,484,589
Total Segment revenue	49,475,914	1,672,115	1,620,165	3,667,833	5,419,886	61,855,913
Reconciliation:						
Elimination of intersegment sales						(2,484,589)
Total revenue						59,371,324
Segment results	3,199,177	538,060	1,581,069	401,526	1,016,739	6,736,571
Reconciliation:						
Elimination of intersegment results						(273,254)
Interest income						916,668
Corporate and other unallocated expenses						(164,489)
Finance costs (other than interest on lease liabilities)						(2,247,904)
Profit before tax						4,967,592
Segment assets	411,454,092	39,180,131	16,202,604	2,753,213	18,582,050	488,172,090
Reconciliation:						
Elimination of intersegment assets						(155,665,797)
Corporate and other unallocated assets						109,227,508
Total assets						441,733,801
Segment liabilities	288,259,183	8,490,436	6,997,653	2,636,959	7,183,485	313,567,716
Reconciliation:						
Elimination of intersegment liabilities						(170,586,013)
Corporate and other unallocated liabilities						179,190,664
Total liabilities						322,172,367
Other segment information:						
Share of profits/(losses) of joint ventures	(4,440)	–	–	–	680	(3,760)
Share of profits of associates	371,377	–	–	–	–	371,377
Depreciation and amortisation	242,911	49,313	236,267	60,610	138,287	727,388
Loss/(gain) on disposal of items of property, plant and equipment	441	104	16,348	30	(3,326)	13,597
Impairment losses recognised in the statement of profit or loss, net	903,788	110,633	1,483	67,178	66,860	1,149,942
Fair value losses on investment properties	–	(129,365)	–	(24,112)	–	(153,477)
Investments in associates	26,625,161	–	–	–	28,979	26,654,140
Investments in joint ventures	29,283,995	–	–	–	–	29,283,995
Capital expenditure*	1,100,736	1,873,263	27,791	45,973	94,106	3,141,869

* Capital expenditure consists of additions to property, plant and equipment, intangible assets, and investment properties including assets from the acquisition of subsidiaries.

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2024	Property development RMB'000	Property investment RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	49,193,469	1,626,835	1,698,619	2,545,435	3,988,596	59,052,954
Intersegment sales	108,295	70,438	–	420,538	720,256	1,319,527
Total Segment revenue	49,301,764	1,697,273	1,698,619	2,965,973	4,708,852	60,372,481
Reconciliation:						
Elimination of intersegment sales						(1,319,527)
Total revenue						59,052,954
Segment results	4,111,844	606,585	1,435,917	493,001	1,095,604	7,742,951
Reconciliation:						
Elimination of intersegment results						(1,936,896)
Interest income						1,070,306
Other investment income						199,254
Corporate and other unallocated expenses						(152,461)
Finance costs (other than interest on lease liabilities)						(2,485,183)
Profit before tax						4,437,971
Segment assets	388,623,881	36,446,888	11,659,121	2,900,697	17,699,128	457,329,715
Reconciliation:						
Elimination of intersegment assets						(166,078,087)
Corporate and other unallocated assets						118,004,790
Total assets						409,256,418
Segment liabilities	279,548,455	4,873,606	7,780,020	2,586,838	7,466,659	302,255,578
Reconciliation:						
Elimination of intersegment liabilities						(175,257,026)
Corporate and other unallocated liabilities						173,979,264
Total liabilities						300,977,816
Other segment information:						
Share of profits of joint ventures	988,300	–	–	–	112	988,412
Share of profits of associates	318,778	–	–	–	–	318,778
Depreciation and amortisation	204,822	66,122	268,502	57,132	160,390	756,968
Loss/(gain) on disposal of items of property, plant and equipment	(4,709)	128	477	760	–	(3,344)
Impairment losses recognised in the statement of profit or loss, net	1,443,743	–	–	37,448	(17,342)	1,463,849
Fair value gains/(losses) on investment properties	–	(341,798)	–	4,816	–	(336,982)
Investments in associates	23,239,619	–	–	–	–	23,239,619
Investments in joint ventures	30,454,954	–	–	–	28,775	30,483,729
Capital expenditure*	145,610	52,411	63,875	194,054	397,360	853,310

Information about major customers

During the year, there was no revenue from a single customer which accounted for 10% or more of the Group's revenue (2024: Nil).

Notes to Financial Statements

Year ended 31 December 2025

5. REVENUE, OTHER INCOME AND GAINS

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

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	**57,776,105**	57,426,119
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	**10,374**	8,747
Other lease payments, including fixed payments	**1,584,845**	1,618,088
Subtotal	**1,595,219**	1,626,835
Total	**59,371,324**	59,052,954

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Types of goods or services					
Sale of completed properties	**48,653,631**	**–**	**–**	**–**	**48,653,631**
Land development	**822,283**	**–**	**–**	**–**	**822,283**
Hotel operations	**–**	**1,620,165**	**–**	**–**	**1,620,165**
Property management	**–**	**–**	**3,204,285**	**–**	**3,204,285**
Others	**–**	**–**	**–**	**3,475,741**	**3,475,741**
Total	**49,475,914**	**1,620,165**	**3,204,285**	**3,475,741**	**57,776,105**
Timing of revenue recognition					
Goods transferred at a point in time	**49,364,261**	**–**	**185,659**	**–**	**49,549,920**
Services transferred over time	**111,653**	**1,620,165**	**3,018,626**	**3,475,741**	**8,226,185**
Total	**49,475,914**	**1,620,165**	**3,204,285**	**3,475,741**	**57,776,105**

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

Segments	Property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Types of goods or services					
Sale of completed properties	48,749,524	–	–	–	48,749,524
Land development	443,945	–	–	–	443,945
Hotel operations	–	1,698,619	–	–	1,698,619
Property management	–	–	2,545,435	–	2,545,435
Others	–	–	–	3,988,596	3,988,596
Total	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119
Timing of revenue recognition					
Goods transferred at a point in time	49,081,032	–	145,982	–	49,227,014
Services transferred over time	112,437	1,698,619	2,399,453	3,988,596	8,199,105
Total	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2025

Segments	Property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers					
Sales to external customers	49,475,914	1,620,165	3,204,285	3,475,741	57,776,105
Intersegment sales	–	–	463,548	1,944,145	2,407,693
Subtotal	49,475,914	1,620,165	3,667,833	5,419,886	60,183,798
Intersegment adjustments and eliminations	–	–	(463,548)	(1,944,145)	(2,407,693)
Total	49,475,914	1,620,165	3,204,285	3,475,741	57,776,105

Notes to Financial Statements

Year ended 31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

Segments	Property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers					
Sales to external customers	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119
Intersegment sales	108,295	–	420,538	720,256	1,249,089
Subtotal	49,301,764	1,698,619	2,965,973	4,708,852	58,675,208
Intersegment adjustments and eliminations	(108,295)	–	(420,538)	(720,256)	(1,249,089)
Total	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of completed properties	**39,193,843**	39,544,747
Hotel operations	**14,465**	8,815
Property management services	**739,919**	472,555
Others	**222,221**	127,192
Total	**40,170,448**	40,153,309

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of completed properties

The performance obligation is satisfied upon delivery of the completed properties.

Hotel operations

The performance obligation is satisfied when services are rendered. Short-term advances are sometimes required before rendering the services.

Property management services

For property management services, the performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. The Group recognises property management services revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date. For value-added services, the Group agrees the price and the performance obligation for each service with customers upfront and issues monthly or quarterly bills to customers which vary based on the actual level of service completed. When the performance obligation related to the value-added services, e.g., sales assistance services and construction consultancy services, is satisfied over time as services are rendered, the related revenue is recognised over time in the amount to which the Group has a right to invoice, because the customer simultaneously receives and consumes the benefits provided by the Group. When the performance obligation related to the value-added services, e.g. real estate agency services and preliminary planning and design consultancy services, is satisfied at the time when the services are accepted by the customers, the related revenue is recognised at the point in time when the services are rendered and accepted by the customers.

Design, construction and decoration services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 60 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Notes to Financial Statements

Year ended 31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

	Notes	2025 RMB'000	2024 RMB'000
Other income			
Bank interest income		219,795	492,877
Other interest income			
– From related parties		548,611	556,216
– From non-controlling shareholders		148,262	21,213
Other investment income		4,704	199,254
Government grants*		345,425	473,393
Default penalty income		43,881	46,817
Total other income		1,310,678	1,789,770
Gains			
Fair value gains on transfers from properties held for sale to investment properties		282	1,396
Gain on bargain purchase	41	–	2,625
Gain on disposal of subsidiaries	43	2,111,518	2,094,092
Fair value gains on the equity interests previously held as investments in joint ventures	41	260,937	149,853
Gain on disposal of investments in joint ventures and associates		17,678	27,789
Change in fair value of trade receivables at fair value through profit or loss		–	94,076
Others		151,176	147,186
Total gains		2,541,591	2,517,017
Total other income and gains		3,852,269	4,306,787

* Various government grants have been received from the relevant authorities for the Group's businesses conducted in certain cities in Chinese mainland. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of properties sold		**42,809,799**	43,747,267
Cost of land development		**376,193**	224,490
Cost of services provided		**6,855,793**	6,423,540
Cost of goods sold		**108,205**	60,771
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**295,082**	316,789
Depreciation of property, plant and equipment	14	**591,236**	587,435
Depreciation of right-of-use assets	19(a)	**58,410**	126,933
Amortisation of intangible assets	21	**77,742**	42,600
Lease payments not included in the measurement of lease liabilities	19(c)	**91,062**	77,533
Auditor's remuneration		**8,580**	8,982
Employee benefit expense (including directors' and chief executive's remuneration (note (9)):			
Wages and salaries		**2,083,968**	2,353,788
Pension scheme contributions (defined contribution schemes)*		**193,412**	212,360
Total		**2,277,380**	2,566,148
Foreign exchange differences, net		**28,323**	174,589
Loss/(gain) on disposal of items of property, plant and equipment		**13,597**	(3,344)
Fair value losses on other financial assets**		**39,982**	52,546
Fair value loss of trade receivables at fair value through profit or loss		**15,620**	–
Impairment of trade and bills receivables, net**	25	**94,564**	20,107
Impairment of contract assets, net**	27	**17,972**	
Impairment of properties under development, net**		**529,584**	1,079,989
Impairment of properties held for sale, net**		**81,970**	176,481
Impairment of land under development, net**		**7,850**	136,059
Impairment of amounts due from related parties, net**	28	**284,244**	–
Impairment of property, plant and equipment**	14	**108,678**	51,213
Impairment of right of use assets**	19(a)	**25,080**	–
Fair value losses on investment properties**	18	**153,477**	336,982

* At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: Nil).

** These items are included in "other expenses and losses, net" in the consolidated statement of profit or loss.

Notes to Financial Statements

Year ended 31 December 2025

7. OTHER EXPENSES AND LOSSES, NET

An analysis of other expenses and losses, net is as follows:

	Notes	2025 RMB'000	2024 RMB'000
Impairment of properties under development, net		**529,584**	1,079,989
Impairment of properties held for sale, net		**81,970**	176,481
Impairment in land under development, net		**7,850**	136,059
Impairment of amounts due from related parties, net	28	**284,244**	–
Impairment of property, plant and equipment	14	**108,678**	51,213
Impairment of trade receivables, net	25	**94,564**	20,107
Impairment of contract asset, net	27	**17,972**	–
Fair value loss on investment properties	18	**153,477**	336,982
Foreign exchange differences, net		**28,323**	174,589
Fair value loss of trade receivables at fair value through profit or loss		**15,620**	–
Impairment of right of use assets	19(a)	**25,080**	–
Fair value loss on other financial assets		**39,982**	52,546
Others		**70,861**	5,932
Total		**1,458,205**	2,033,897

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings and other payables	**5,060,909**	5,775,382
Interest on amounts due to related parties (note 47(a))	**1,292,924**	1,058,060
Interest on lease liabilities (note 19(b))	**43,218**	49,342
Total interest expense	**6,397,051**	6,882,784
Less: interest capitalised	**(4,105,929)**	(4,348,259)
Total	**2,291,122**	2,534,525

9. 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 of Hong Kong Limited (the "Listing Rules"), 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, is as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Fees	**1,458**	1,678
Other emoluments:		
Salaries, allowances and benefits in kind	**3,934**	5,059
Bonuses*	**5,439**	2,957
Prior years service term incentives	**1,502**	–
Pension scheme contributions	**926**	1,218
Subtotal	**11,801**	9,234
Total	**13,259**	10,912

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the performance of the Group's operations.

In prior years, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 39 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant.

(a) Independent non-executive directors

Mr. SU Xijia resigned as an independent non-executive director of the Company with effect from 17 June 2025. The fee paid to him during the year were RMB195,000 (2024: RMB419,000).

Mr. LIU Feng was appointed as an independent non-executive director of the Company with effect from 17 June 2025. No fee paid to him during the year (2024: Nil).

Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei, are independent non-executive directors of the Company, and the fees paid to them during the year were RMB421,000 (2024: RMB419,000), RMB421,000 (2024: RMB419,000) and RMB421,000 (2024: RMB419,000), respectively.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

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Year ended 31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

Executive directors

i Mr. ZHANG Zenggen resigned as the chairman and an executive director of the Company with effect from 11 March 2025. During the year ended 31 December 2025, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB211,000, performance related bonuses of RMB1,509,000, prior years service term incentives of RMB422,000 and pension scheme contributions of RMB48,000 (2024: the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,249,000, performance related bonuses of RMB721,000 and pension scheme contributions of RMB281,000).

ii. Mr. TAO Tianhai was the chief executive officer and an executive director of the Company and was appointed as the chairman of the company with effect from 11 March 2025. During the year ended 31 December 2025, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,249,000, performance related bonuses of RMB1,509,000, prior years service term incentives of RMB442,000 and pension scheme contributions of RMB304,000 (2024: the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,301,000, performance related bonuses of RMB1,124,000 and pension scheme contributions of RMB349,000).

iii. Mr. ZHANG Hui is an executive director of the Company. During the year ended 31 December 2025, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,238,000, performance related bonuses of RMB1,267,000, prior years service term incentives of RMB249,000 and pension scheme contributions of RMB285,000 (2024: the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,267,000, performance related bonuses of RMB274,000 and pension scheme contributions of RMB307,000).

iv. Ms. QIAO Xiaojie is the chief financial officer and an executive director of the Company. During the year ended 31 December 2025, the remuneration paid to her included fees of nil, salaries, allowances and benefits in kind of RMB1,236,000, performance related bonuses of RMB1,154,000, prior years service term incentives of RMB389,000 and pension scheme contributions of RMB289,000 (2024: the remuneration paid to her included fees of nil, salaries, allowances and benefits in kind of RMB1,242,000, performance related bonuses of RMB837,000 and pension scheme contributions of RMB282,000).

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive (Continued)

Non-executive directors

i. Mr. CUI Yan was appointed as a non-executive director of the Company with effect from 18 June 2025. There was no remuneration paid to him during the year (2024: Nil).

ii. Mr. LIU Wen was appointed as a non-executive director of the Company with effect from 18 June 2025. There was no remuneration paid to him during the year (2024: Nil).

iii. Mr. CHEN Yijiang was appointed as a non-executive director of the Company with effect from 26 June 2024. There was no remuneration paid to her during the year (2024: Nil).

iv. Ms. WANG Wei was a non-executive director of the Company. There was no remuneration paid to her during the year (2024: Nil).

v. Mr. CHENG Yong resigned as a non-executive director of the Company with effect from 21 April 2025. There was no remuneration paid to him during the year (2024: Nil).

vi. Ms. CHEN Aihua resigned as a non-executive director of the Company with effect from 18 June 2025. There was no remuneration paid to her during the year (2024: Nil).

vii. Mr. AN Hongjun resigned as a non-executive director of the Company with effect from 26 June 2024. There was no remuneration paid to him during the year ended 31 December 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

Notes to Financial Statements

Year ended 31 December 2025

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2024: four directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining one (2024: one) highest paid employees of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	1,238	1,284
Bonuses	1,267	937
Prior years service term incentives	809	–
Pension scheme contributions	285	307
Total	3,599	2,528

The number of the non-director highest paid employees whose remuneration fell within the following bands is as follows:

	2025 Number of employees	2024 Number of employees
HK$2,500,001 to HK$3,000,000	–	1
HK$3,500,001 to HK$4,000,000	1	–
Total	1	1

In prior years, share options were granted to one non-director highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 39 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant.

11. INCOME TAX

	Note	2025 RMB'000	2024 RMB'000
Current			
PRC corporate income tax			
Charge for the year		**1,536,721**	1,878,106
Under-provision in prior years		**184,212**	105,187
PRC land appreciation tax		**671,803**	337,922
Subtotal		**2,392,736**	2,321,215
Deferred	36	**386,722**	(82,941)
Total tax charge for the year		**2,779,458**	2,238,274

Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil).

PRC corporate income tax

Except for certain PRC subsidiaries which subject to a preferential income tax rate of 15%, the income tax provision of the Group in respect of its operation in Chinese mainland was calculated at the tax rates of 25% (2024: 25%) on the assessable profits for the reporting period, if applicable, based on the existing legislation, interpretations and practice in respect thereof.

PRC land appreciation tax ("LAT")

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例) 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税暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in Chinese mainland effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including borrowing costs and all property development expenditures.

Notes to Financial Statements

Year ended 31 December 2025

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge/(credit) for the year at the effective tax rates is as follows:

2025

	Hong Kong RMB'000	Chinese mainland RMB'000	Total RMB'000
Profit/(loss) before tax	(137,121)	5,104,713	4,967,592
Tax at the statutory income tax rate	(22,625)	1,276,178	1,253,553
Lower tax rates for specific provinces or local authority	–	(56,621)	(56,621)
Effect of withholding tax at 5% on the distributable profits of certain PRC subsidiaries	39,127	–	39,127
Adjustments in respect of current tax of previous periods	–	184,213	184,213
Profits and losses attributable to joint ventures and associates	–	(89,127)	(89,127)
Income not subject to tax	(4,267)	(222,176)	(226,443)
Expenses not deductible for tax	26,892	279,054	305,946
Tax losses utilised from previous periods	–	(459,550)	(459,550)
Tax losses not recognised	–	1,324,508	1,324,508
LAT (note 35)	–	671,803	671,803
Tax effect of LAT	–	(167,951)	(167,951)
Tax charge for the year	39,127	2,740,331	2,779,458

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge/(credit) for the year at the effective tax rates is as follows: (continued)

2024

	Hong Kong RMB'000	Mainland China RMB'000	Total RMB'000
Profit/(loss) before tax	(1,183,318)	5,621,289	4,437,971
Tax at the statutory income tax rate	(195,248)	1,405,323	1,210,075
Lower tax rates for specific provinces or local authority	–	(159,224)	(159,224)
Effect of withholding tax at 5% on the distributable profits of certain PRC subsidiaries	3,894	–	3,894
Adjustments in respect of current tax of previous periods	–	105,187	105,187
Profits and losses attributable to joint ventures and associates	–	(340,416)	(340,416)
Income not subject to tax	(28,580)	(274,350)	(302,930)
Expenses not deductible for tax	223,828	296,943	520,771
Tax losses utilised from previous periods	–	(372,377)	(372,377)
Tax losses not recognised	–	1,319,853	1,319,853
LAT (note 35)	–	337,922	337,922
Tax effect of LAT	–	(84,481)	(84,481)
Tax charge for the year	3,894	2,234,380	2,238,274

The share of tax attributable to joint ventures and associates amounting to RMB568,879,000 (2024: RMB879,600,000) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

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Year ended 31 December 2025

12. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Interim – HK3.0 cents (2024 interim dividend: HK3.0 cents) per ordinary share	377,918	377,205

Scrip dividend scheme

On 27 August 2024, the board of directors of the Company resolved to declare and pay 2024 interim dividend of HK$0.03 per share to the Shareholders, and resolved to offer the Shareholders an option to receive the 2024 interim dividend wholly or partly in the form of new and fully paid shares of the Company in lieu of cash. The number of ordinary shares issued as scrip dividends was 6,382,966 and the total amount of dividend paid as scrip dividends was RMB7,208,000 while cash dividends amounted to RMB369,997,000.

On 26 August 2025, the board of directors of the Company resolved to declare and pay 2025 interim dividend of HK$0.03 per share to the Shareholders, and resolved to offer the Shareholders an option to receive the 2025 interim dividend wholly or partly in the form of new and fully paid shares of the Company in lieu of cash. The number of ordinary shares issued as scrip dividends was 6,495,130 and the total amount of dividend paid as scrip dividends was RMB8,557,000 while cash dividends amounted to RMB369,361,000.

No final dividend for the year ended 31 December 2025 was proposed (2024: Nil).

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the earnings for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 13,507,074,500 (2024: 13,500,669,519) outstanding during the year.

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the Company's share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

The calculations of basic and diluted earnings per share are based on:

	2025 RMB'000	2024 RMB'000
Earnings		
Profit for the period attributable to the owners of the parent	**1,253,200**	1,064,809
Distribution related to the perpetual capital instrument	**(661,563)**	(363,479)
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculations	**591,637**	701,330

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation	**13,507,074,500**	13,500,669,519

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Year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Hotel properties RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025							
Cost	7,535,496	124,132	4,237,621	3,085,589	53,426	4,106,844	19,143,108
Accumulated depreciation and impairment	(2,440,083)	(115,217)	(1,210,040)	(1,748,950)	(47,347)	–	(5,561,637)
Net carrying amount	5,095,413	8,915	3,027,581	1,336,639	6,079	4,106,844	13,581,471
At 1 January 2025, net of accumulated depreciation and impairment	5,095,413	8,915	3,027,581	1,336,639	6,079	4,106,844	13,581,471
Additions	30,759	11,927	4,582	73,890	2,881	266,501	390,540
Disposals	(2,549)	(1,956)	(240,323)	(2,743)	(83)	(14,959)	(262,613)
Depreciation provided during the year (note 6)	(181,636)	(8,298)	(206,151)	(193,484)	(1,667)	–	(591,236)
Acquisition of a subsidiary (note 41)	–	–	–	235	–	–	235
Disposal of subsidiaries (note 43)	(484,941)	(10,378)	(615)	(72,879)	(4,663)	(10,916)	(584,392)
Gain on properties revaluation in relation to the transfer to investment properties	–	–	45,385	–	–	–	45,385
Impairment (note 6)	–	–	(89,677)	–	–	(19,001)	(108,678)
Transfer to investment properties (note 18)	–	–	(153,000)	–	–	–	(153,000)
Transfer from properties under development	–	–	1,231,954	54,470	–	–	1,286,424
Transfers	1,270,340	1,313	(1,111,191)	13,928	–	(174,390)	–
Exchange realignment	–	(9)	–	(1)	–	–	(10)
At 31 December 2025, net of accumulated depreciation and impairment	5,727,386	1,514	2,508,545	1,210,055	2,547	4,154,079	13,604,126
At 31 December 2025							
Cost	8,344,788	97,118	3,754,028	3,042,058	41,628	4,173,080	19,452,700
Accumulated depreciation and impairment	(2,617,402)	(95,604)	(1,245,483)	(1,832,003)	(39,081)	(19,001)	(5,848,574)
Net carrying amount	5,727,386	1,514	2,508,545	1,210,055	2,547	4,154,079	13,604,126

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Hotel properties RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024							
Cost	8,005,453	116,550	2,909,431	3,080,741	70,480	3,852,315	18,034,970
Accumulated depreciation and impairment	(2,578,128)	(68,222)	(935,845)	(1,734,060)	(61,853)	–	(5,378,108)
Net carrying amount	5,427,325	48,328	1,973,586	1,346,681	8,627	3,852,315	12,656,862
At 1 January 2024, net of accumulated depreciation and impairment	5,427,325	48,328	1,973,586	1,346,681	8,627	3,852,315	12,656,862
Additions	85,394	4,346	4,483	64,340	1,724	542,764	703,051
Disposals	(733)	(36)	(57,326)	(13,562)	(997)	(22,086)	(94,740)
Depreciation provided during the year (note 6)	(118,391)	(47,136)	(244,991)	(173,788)	(3,129)	–	(587,435)
Acquisition of a subsidiary (note 41)	–	3	35,449	1,549	148	–	37,149
Disposal of subsidiaries (note 43)	(303,825)	–	–	(7,424)	(294)	–	(311,543)
Impairment (note 6)	–	–	(51,213)	–	–	–	(51,213)
Transfer from properties under development	–	–	1,229,244	–	–	–	1,229,244
Transfers	5,643	3,408	138,256	118,842	–	(266,149)	–
Exchange realignment	–	2	93	1	–	–	96
At 31 December 2024, net of accumulated depreciation and impairment	5,095,413	8,915	3,027,581	1,336,639	6,079	4,106,844	13,581,471
At 31 December 2024							
Cost	7,535,496	124,132	4,237,621	3,085,589	53,426	4,106,844	19,143,108
Accumulated depreciation and impairment	(2,440,083)	(115,217)	(1,210,040)	(1,748,950)	(47,347)	–	(5,561,637)
Net carrying amount	5,095,413	8,915	3,027,581	1,336,639	6,079	4,106,844	13,581,471

At 31 December 2025, certain of the Group's hotel properties and buildings, construction in progress included in property, plant and equipment with an aggregate net carrying amount of approximately RMB4,021,139,000 (2024: RMB5,183,985,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

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Year ended 31 December 2025

15. PROPERTIES UNDER DEVELOPMENT

The Group's properties under development are situated in Chinese mainland.

At 31 December 2025, certain of the Group's properties included in properties under development with a net carrying amount of approximately RMB57,630,060,000 (2024: RMB48,890,597,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

16. LAND UNDER DEVELOPMENT

Land under development represents the project cost, land requisition cost, compensation cost and other preliminary infrastructure costs in relation to the Group's land development projects (the "Projects") in Chinese mainland. Though the Group does not have the ownership title or land use right to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities as well as other development works in the Projects. When the land plots are sold by the local government, the Group is entitled to receive from the local authorities the land development fee.

17. PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated in Chinese mainland.

At 31 December 2025, certain of the Group's properties included in properties held for sale with a net carrying amount of approximately RMB9,520,397,000 (2024: RMB7,556,171,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

18. INVESTMENT PROPERTIES

	Notes	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January		**36,482,002**	37,299,191
Additions		**1,808,476**	36,048
Net loss from a fair value adjustment	7	**(153,477)**	(336,982)
Transfer from properties held for sale		**182,000**	540,000
Transfer from property, plant and equipment	14	**153,000**	–
Transfer from right-of-use assets	19(a)	**119,000**	166,344
Transfer to right-of-use assets	19(a)	**(31,397)**	(75,262)
Acquisition of subsidiaries	41	**863,000**	14,133
Disposal of subsidiaries	43	**–**	(1,004,000)
Disposals		**(103,200)**	(157,470)
Carrying amount at 31 December		**39,319,404**	36,482,002

18. INVESTMENT PROPERTIES (Continued)

The Group's investment properties consist of commercial properties and right-of-use assets in Chinese mainland. The directors of the Company have determined that the investment properties consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued individually on 31 December 2025 based on valuations performed by Cushman & Wakefield Limited, Shanghai Cairui Real Estate Land Appraisal Co., Ltd., Beijing Zhongtianhua Asset Appraisal Co., Ltd, Beijing Renda Real Estate Land Asset Appraisal Co., Ltd and Beijing Zhuoxindahua Appraisal Co., Ltd., independent professionally qualified valuers. Each year, the Group's management decides to appoint which external valuers to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

As at 31 December 2025, seven of the Group's investment properties were right-of-use asset with total carrying amount of RMB1,672,665,000 (2024: RMB803,818,000) relating to buildings which were leased out under one or more operating leases. These investment properties are leased under operating leases, further summary details of which are included in note 19 to the financial statements.

At 31 December 2025, certain of the Group's investment properties with a carrying value of RMB17,424,690,000 (2024: RMB27,204,084,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement using significant unobservable inputs (Level 3)	
	2025 RMB'000	2024 RMB'000
Recurring fair value measurement for:		
Commercial properties	**39,319,404**	36,482,002

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18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties RMB'000
Carrying amount at 1 January 2024	37,299,191
Additions	36,048
Net loss from a fair value adjustment	(336,982)
Transfer from properties held for sale	540,000
Transfer from right-of-use assets	166,344
Transfer to right-of-use assets	(75,262)
Disposal of subsidiaries	(1,004,000)
Acquisition of subsidiaries	14,133
Disposals	(157,470)
Carrying amount at 31 December 2024 and 1 January 2025	36,482,002
Additions	1,808,476
Net loss from a fair value adjustment	(153,477)
Transfer from property plant and equipment	153,000
Transfer from properties held for sale	182,000
Transfer from right-of-use assets	119,000
Transfer to right-of-use assets	(31,397)
Acquisition of subsidiaries	863,000
Disposals	(103,200)
Carrying amount at 31 December 2025	39,319,404

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range or weighted average	
			2025	2024
Commercial properties	Term and reversion method	Term yield	2.00% - 6.00%	2.00% - 5.50%
		Reversionary yield	2.00% - 6.50%	2.00% - 6.00%
		Market rent (per square metre ("sqm")/lot per annum ("p.a."))	RMB278 - RMB18,600	RMB336 - RMB18,600
	Discounted cash flow method	Estimated rental value (per sqm p.a.)	RMB270 - RMB1,460	RMB626 - RMB1,741
		Rental growth p.a.	0.00% - 4.50%	0.00% - 9.67%
		Long term vacancy rate	0.00% - 20.00%	0.00% - 20.00%
		Discount rate	4.00% - 7.00%	4.00% - 7.00%
	Market comparable method	Price per sqm	RMB3,480 - RMB31,950	RMB3,247 - RMB31,150
Right-of-use assets	Term and reversion method	Term yield	3.50% - 5.50%	3.50% - 5.50%
		Reversionary yield	4.00% - 6.00%	4.00% - 6.00%
		Market rent (per sqm p.a.)	RMB384 - RMB2,231	RMB647 - RMB2,204
	Discounted cash flow method	Estimated rental value (per sqm p.a.)	RMB141 - RMB837	RMB576 - RMB978
		Rental growth p.a.	0.00% - 25.00%	2.50% - 3.00%
		Discount rate	4.50% - 5.50%	7.00%

The term and reversion method measures the fair value of the property by taking into account the rental income derived from the existing leases with due allowance for the reversionary income potential of the leases, which are then capitalised into the value at appropriate rates.

A significant increase (decrease) in the term yield and the reversionary yield in isolation would result in a significant decrease (increase) in the fair value of the investment properties. A significant increase (decrease) in the market rent would result in a significant increase (decrease) in the fair value of the investment properties.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

A significant increase (decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

Under the market comparable method, a property's fair value is estimated based on comparable transactions. Although property interests are not homogeneous, the International Valuation Standards Council considers the market approach most commonly applied. "In order to compare the subject of the valuation with the price of other real property interests that have been recently exchanged or that may be currently available in the market, it is usual to adopt a suitable unit of comparison. Units of comparison that are commonly used include analysing sales prices by calculating the price per square meter of a building or per hectare for land. Other units used for price comparison where there is sufficient homogeneity between the physical characteristics include a price per room or a price per unit of output, e.g., crop yields. A unit of comparison is only useful when it is consistently selected and applied to the subject property and the comparable properties in each analysis".

The market comparable method is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The unit of comparison applied by the Group is the price per square metre. The market comparable approach is often used in combination with either the discounted cash flow or the term and reversion method as many inputs to these methods are based on market comparison.

A significant increase (decrease) in the price per square metre would result in a significant increase (decrease) in the fair value of the investment properties.

19. LEASES

The Group as a lessee

The Group has lease contracts mainly for properties used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of office properties, equipments and staff quarters generally have lease terms between 2 and 15 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Office properties, equipments and staff quarters RMB'000	Total RMB'000
As at 1 January 2024	1,101,778	380,427	1,482,205
Additions	1,616	123,260	124,876
Additions as a result of acquisition of subsidiaries (note 41)	–	16,714	16,714
Transferred to investment properties (note 18)	–	(166,344)	(166,344)
Transfer from investment properties (note 18)	–	75,262	75,262
Termination	–	(29,499)	(29,499)
Depreciation charge (note 6)	(38,003)	(88,930)	(126,933)
Disposal of subsidiaries (note 43)	(100,272)	(2,793)	(103,065)
As at 31 December 2024 and 1 January 2025	**965,119**	**308,097**	**1,273,216**
Additions	**1,615**	**120,705**	**122,320**
Transferred to investment properties (note 18)	**–**	**(119,000)**	**(119,000)**
Transfer from investment properties (note 18)	**–**	**31,397**	**31,397**
Transferred from properties under development	**111,298**	**–**	**111,298**
Termination	**–**	**(81,632)**	**(81,632)**
Disposal	**(36,502)**	**–**	**(36,502)**
Depreciation charge (note 6)	**(39,031)**	**(19,379)**	**(58,410)**
Disposal of subsidiaries (note 43)	**(109,505)**	**–**	**(109,505)**
Impairment (note 6)	**(25,080)**	**–**	**(25,080)**
As at 31 December 2025	**867,914**	**240,188**	**1,108,102**

At 31 December 2025, certain of the Group's right-of-use assets with an aggregate net carrying amount of approximately RMB152,436,000 (2024: RMB220,736,000) were pledged to secure bank and other borrowing granted to the Group (note 34).

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19. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**1,125,475**	1,114,309
New leases	**117,915**	139,151
Additions as a result of acquisition of subsidiaries (note 41)	**66,053**	16,714
Accretion of interest recognised during the year (note 8)	**43,218**	49,342
Payments	**(92,338)**	(155,020)
Disposal of subsidiaries (note 43)	**–**	(2,376)
Termination	**(68,687)**	(36,645)
Lease modification	**(54,109)**	–
Carrying amount at 31 December	**1,137,527**	1,125,475
Analysed into:		
Current portion	**312,075**	222,599
Non-current portion	**825,452**	902,876

The maturity analysis of lease liabilities is disclosed in note 50 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	**43,218**	49,342
Depreciation charge of right-of-use assets	**58,410**	126,933
Expense relating to short-term leases and leases of low-value assets	**91,062**	77,533
Total amount recognised in profit or loss	**192,690**	253,808

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 44(c) and 46(b), respectively, to the financial statements.

19. LEASES (Continued)

The Group as a lessor

The Group leases its investment properties (note 18) consisting of commercial properties and right-of-use assets in Chinese mainland under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,595,219,000 (2024: RMB1,626,835,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**1,397,023**	826,318
After one year but within two years	**1,159,944**	843,576
After two years but within three years	**528,529**	315,416
After three years but within four years	**290,329**	253,986
After four years but within five years	**220,182**	163,044
After five years	**559,304**	723,918
Total	**4,155,311**	3,126,258

20. GOODWILL

	RMB'000
Cost and net carrying amount at 1 January 2024, 31 December 2024 and 1 January 2025, 31 December 2025	**479,874**

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Year ended 31 December 2025

20. GOODWILL (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit for impairment testing:

- Beijing Capital Property Services Limited cash-generating unit
- Beijing Shengrui Property Services Limited cash-generating unit

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Beijing Capital Property Services Limited cash-generating unit		Beijing Shengrui Property Services Limited cash-generating unit		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Carrying amount of goodwill	249,122	249,122	230,752	230,752	479,874	479,874

Beijing Capital Property Services Limited cash-generating unit

The recoverable amount of this cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 10.50% (2024: 10.49%). The growth rate used to extrapolate the cash flows of the upscale residential and commercial projects cash-generating unit beyond the five-year period is 2% (2024: 2%), which was the same as the long term average growth rate of the properties management industry.

Beijing Shengrui Property Services Limited cash-generating unit

The recoverable amount of this cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 10.50% (2024: 10.49%). The growth rate used to extrapolate the cash flows of the upscale residential and commercial projects cash-generating unit beyond the five-year period is 2% (2024: 2%), which was the same as the long term average growth rate of the properties management industry.

Assumptions were used in the value in use calculation of this cash-generating unit for 31 December 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are after tax and reflect specific risks relating to the relevant unit.

The values assigned to the key assumptions and discount rates are consistent with external information sources.

21. INTANGIBLE ASSETS

	Computer software RMB'000	Contractual rights RMB'000	Total RMB'000
31 December 2025			
At 1 January 2025			
Cost	614,809	86,200	701,009
Accumulated amortisation	(281,651)	(18,243)	(299,894)
Net carrying amount	333,158	67,957	401,115
Cost at 1 January 2025, net of accumulated amortisation and impairment	333,158	67,957	401,115
Additions	79,618	–	79,618
Disposal of subsidiaries (note 43)	(2,890)	–	(2,890)
Disposals	(7,835)	–	(7,835)
Amortisation provided during the year (note 6)	(70,559)	(7,183)	(77,742)
At 31 December 2025	331,492	60,774	392,266
At 31 December 2025			
Cost	658,077	86,200	744,277
Accumulated amortisation	(326,585)	(25,426)	(352,011)
Net carrying amount	331,492	60,774	392,266

	Computer software RMB'000	Contractual rights RMB'000	Total RMB'000
31 December 2024			
At 1 January 2024			
Cost	563,571	86,200	649,771
Accumulated amortisation and impairment	(257,538)	(11,060)	(268,598)
Net carrying amount	306,033	75,140	381,173
Cost at 1 January 2024, net of accumulated amortisation and impairment	306,033	75,140	381,173
Additions	62,917	–	62,917
Disposal of subsidiaries (note 43)	(234)	–	(234)
Acquisition of subsidiaries (note 41)	12	–	12
Disposals	(153)	–	(153)
Amortisation provided during the year (note 6)	(35,417)	(7,183)	(42,600)
At 31 December 2024	333,158	67,957	401,115
At 31 December 2024			
Cost	614,809	86,200	701,009
Accumulated amortisation	(281,651)	(18,243)	(299,894)
Net carrying amount	333,158	67,957	401,115

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22. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures

	2025 RMB'000	2024 RMB'000
Share of net assets	**27,346,365**	28,536,199
Other investments in joint ventures	**1,937,630**	1,947,530
Total investments in joint ventures	**29,283,995**	30,483,729

Other investments in joint ventures represented the investments in perpetual capital instruments issued by joint ventures. In the opinion of the directors, these perpetual capital instruments are considered as part of the Group's investments in joint ventures.

The amounts due from and to joint ventures are disclosed in note 28 to the financial statements.

All of the Group's investments in joint ventures are indirectly held by the Company.

The Group has discontinued the recognition of its share of loss of certain joint ventures because the share of loss of the joint ventures exceeded the Group's interests in them and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of loss of the joint ventures for the current year and cumulatively were RMB415,960,000 (2024: RMB1,777,000) and RMB1,854,621,000 (2024: RMB1,438,661,000), respectively.

At 31 December 2025, certain of the Group's investments in joint ventures with a carrying amount of RMB446,126,000 (2024: RMB812,796,000) were pledged to secure bank and other borrowings granted to the joint ventures of the Group, further details of which are set out in note 45 to the financial statements.

The joint ventures of the Group are considered not individually material and the following table illustrates the aggregate financial information of the joint ventures:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' profit/(loss) for the year	**(3,760)**	988,412
Share of the joint ventures' total comprehensive income/(loss) for the year	**(3,760)**	988,412
Aggregate carrying amount of the Group's investments in the joint ventures	**29,283,995**	30,483,729

23. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	**26,079,203**	22,327,682
Other investments in associates	**574,937**	911,937
Total investments in associates	**26,654,140**	23,239,619

Other investments in associates represented the investments in perpetual capital instruments issued by associates. In the opinion of the directors, these perpetual capital instruments are considered as part of the Group's investments in the associates.

The amounts due from and to associates are disclosed in note 28 to the financial statements.

The Group has discontinued the recognition of its share of loss of certain associates because the share of loss of the associates exceeded the Group's interests in them and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of loss of the associates for the current year and cumulatively were RMB359,004,000 (2024: RMB133,065,000) and RMB1,837,400,000 (2024: RMB1,478,396,000), respectively.

At 31 December 2025, no Group's investments in associates were pledged to secure bank and other borrowings granted to the associates of the Group, further details of which are set out in note 45 to the financial statements (2024: RMB251,688,000).

At 31 December 2025, the Group's investment in an associate with an aggregate net carrying amount of approximately RMB152,447,000 (2024: RMB156,835,000) was pledged to secure bank and other borrowings granted to the Group (note 34).

The associates of the Group are considered not individually material and the following table illustrates the aggregate financial information of the associates:

	2025 RMB'000	2024 RMB'000
Share of the associates' profit for the year	**371,377**	318,778
Share of the associates' total comprehensive income for the year	**371,377**	318,778
Aggregate carrying amount of the Group's investments in the associates	**26,654,140**	23,239,619

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24. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**628,198**	571,280
Consumables and tools	**1,358**	394
Hotel merchandise	**8,858**	10,795
Trading stock	**5,579**	3,076
Total	**643,993**	585,545

25. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
– At amortised cost		
Trade and bills receivables	**2,389,820**	2,263,695
Impairment	**(118,239)**	(67,600)
Total	**2,271,581**	2,196,095
– At fair value through profit or loss		
Trade receivables	**2,683,890**	2,602,150
Carrying amount at 31 December	**4,955,471**	4,798,245
Current portion	**2,215,581**	2,128,895
Non-current portion	**2,739,890**	2,669,350

Consideration in respect of properties sold is receivable in accordance with the terms of the related sale and purchase agreements, whilst the Group's trading terms with its customers in relation to the provision of hotel, decoration and other services are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to six months for major customers. Each customer has a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade receivables are non-interest-bearing.

At 31 December 2025, certain of the Group's trade and bills receivables with a net carrying amount of approximately RMB11,398,000 (2024: RMB2,457,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

25. TRADE AND BILLS RECEIVABLES (Continued)

Trade and bills receivables at amortised cost

An ageing analysis of the trade and bills receivables at amortised cost as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	**976,794**	202,148
2 to 3 months	**144,553**	450,689
4 to 6 months	**377,182**	343,803
7 months to 1 year	**157,273**	572,476
Over 1 year	**615,779**	626,979
Total	**2,271,581**	2,196,095

The movements in the loss allowance for impairment of trade and bills receivables at amortised cost are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	**67,600**	47,493
Impairment losses, net (note 6)	**94,564**	20,107
Amount written off as uncollectible	**(43,925)**	-
At 31 December	**118,239**	67,600

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off if past due for more than one year and are not subject to enforcement activity.

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25. TRADE AND BILLS RECEIVABLES (Continued)

Trade and bills receivables at amortised cost (Continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables at amortised cost using a provision matrix:

As at 31 December 2025

		Past due			
	Current	Less than 1 month	1 to 3 months	Over 3 months	Total
Expected credit loss rate	0.01%	1.53%	4.03%	34.98%	4.95%
Gross carrying amount (RMB'000)	1,988,218	63,984	3,100	334,518	2,389,820
Expected credit losses (RMB'000)	133	978	125	117,003	118,239

As at 31 December 2024

		Past due			
	Current	Less than 1 month	1 to 3 months	Over 3 months	Total
Expected credit loss rate	0.06%	0.09%	0.92%	16.94%	3.08%
Gross carrying amount (RMB'000)	1,653,115	138,548	13,096	458,936	2,263,695
Expected credit losses (RMB'000)	991	125	121	66,363	67,600

Trade receivables – at fair value through profit or loss

Trade receivables at fair value through profit or loss represents the income arising from land development for which the transaction price is determined on a cost-plus basis. The Group entered into service agreements with the relevant local government authorities, according to which the Group provides construction services and is entitled to service consideration on a cost-plus basis. Based on the terms of the agreements, the relevant local government authorities have the right to defer payment under certain circumstances and the cash flows of the receivables could not pass the solely payments of principal and interest testing, thus, these were classified as fair value through profit or loss.

Included in the trade receivables – at fair value through profit or loss from land development was an amount of RMB2,171,000,000 (2024: RMB2,078,810,000) which was bearing interest ranging from 4.55% to 10% (2024: 4.68% to 10%).

Details of fair value information of trade receivables – at fair value through profit or loss are set out in note 49.

26. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments	8,243,994	8,786,577
Deposits	2,188,951	5,573,098
Other receivables	7,391,515	8,036,842
Due from non-controlling shareholders	29,157,813	19,577,036
Others	1,165,678	1,035,410
Carrying amount at 31 December	48,147,951	43,008,963
Current portion	47,800,688	42,689,292
Non-current portion	347,263	319,671

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

The current balances of amounts due from non-controlling shareholders are unsecured, interest-free and repayable within one year, except for the amounts of RMB7,968,977,000, in aggregate, which bear interest at rates from 1.50% to 4.35% per annum (2024: RMB8,008,017,000, in aggregate, which bear interest at rates from 1.83% to 6.00% per annum).

27. CONTRACT ASSETS

	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
Contract assets arising from design, construction and decoration services and sale of properties	1,484,436	1,341,452	423,149
Impairment	(17,972)	-	-
Total	1,466,464	1,341,452	423,149

Contract assets are initially recognised from the design, construction and decoration services as the receipt of consideration is conditional on successful completion of services. Included in contract assets for design, construction and decoration services are retention receivables. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2025 and 2024 was the result of the increase in the ongoing provision of design, construction and decoration services at the end of each of the years.

During the year ended 31 December 2025, RMB17,972,000 (2024: Nil) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 25 to the financial statements.

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Year ended 31 December 2025

27. CONTRACT ASSETS (Continued)

The expected timing of recovery or settlement for contract assets as at 31 December 2025 is within one year.

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000
At beginning of year	–
Impairment losses, net (note 6)	17,972
At end of year	17,972

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade and bills receivables for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025
Expected credit loss rate	1.21%
Gross carrying amount (RMB'000)	1,484,436
Expected credit losses (RMB'000)	17,972

28. BALANCES WITH RELATED PARTIES

An analysis of the amounts due from related parties is as follows:

	Notes	2025 RMB'000	2024 RMB'000
Due from related parties:			
The immediate holding company		374	461
An intermediate holding company		391	468
An associate of the Group's ultimate holding company		903	475
Fellow subsidiaries		25,274	294,358
Associates*	(i)	9,071,926	9,739,690
Joint ventures*	(ii)	20,635,578	18,247,745
The substantial shareholder	(iii)	1,351,121	2,567,876
Impairment allowance		(3,633,303)	(3,349,059)
Total		27,452,264	27,502,014
Current portion		25,866,372	24,138,611
Non-current portion		1,585,892	3,363,403
Total		27,452,264	27,502,014

* Trade receivable from joint ventures and associates relating to provision of property management, green buildings technology, design and decoration services are included in due from related parties as at 31 December 2025 with amounts of approximately RMB157,319,000 (2024: RMB210,314,000) and RMB102,068,000 (2024: RMB135,872,000) respectively, which arose from ordinary course of business of the Group on normal commercial terms. Other than the aforesaid trade receivable, the remaining balances due from associates and joint ventures as at 31 December 2025 represented loans or advances by the Group to its associates and joint ventures, according to the Group's shareholdings therein, as the working capital of these associates and joint ventures for their property projects.

The movements in the loss allowance for impairment of due from related parties are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	3,349,059	3,349,059
Impairment losses, net (note 6)	284,244	–
At 31 December	3,633,303	3,349,059

28. BALANCES WITH RELATED PARTIES (Continued)

At each reporting date, an impairment analysis is performed using the general approach to recognise the ECLs on the amounts due from the related parties. For those associates and joint ventures undertaking property development projects, if applicable, the loss allowance is measured at an amount equal to the lifetime ECL which would be calculated by taking into account the impairment losses of the properties under development and properties held for sale held by the associates and joint ventures. The ECLs reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2025, the loss allowance was assessed and recognised at an amount of RMB3,633,303,000 (2024: RMB3,349,059,000).

The amounts due from related parties are unsecured, interest-free and are repayable on demand, except for the following:

(i) The current balances of amounts due from associates as at 31 December 2025 of RMB1,361,244,000 in aggregate, which bear interest at rates ranging from 6.00% to 8.00% per annum (2024: RMB2,111,052,000 in aggregate, which bear interest at rates ranging from 5.35% to 8.00% per annum). The non-current balances of amounts due from associates as at 31 December 2025 was interest-free (2024: RMB266,884,000 in aggregate, which bear interest at a rate of 8.00% per annum).

(ii) The current balances of amounts due from joint ventures as at 31 December 2025 of RMB8,302,553,000 in aggregate, which bear interest at rates ranging from 6.00% to 9.00% per annum (2024: RMB10,409,101,000 in aggregate, which bear interest at rates ranging from 3.92% to 9.00% per annum). The non-current balances of amounts due from joint ventures as at 31 December 2025 of RMB324,560,000 in aggregate which bear interest at a rate of 6.00% per annum (2024: RMB304,417,000 in aggregate which bear interest at a rate of 6.00% per annum).

(iii) The current balances of amounts due from the substantial shareholder as at 31 December 2025 of RMB1,300,116,000 in aggregate, which bear interest at a rate of 2.18% to 4.35% per annum (2024: RMB2,343,370,000 in aggregate, which bear interest at a rate of 2.18% to 4.35% per annum).

28. BALANCES WITH RELATED PARTIES (Continued)

An analysis of the amounts due to related parties is as follows:

	2025 RMB'000	2024 RMB'000
Due to related parties:		
The ultimate holding company	–	417
An intermediate holding company	17,837,451	19,772,956
Fellow subsidiaries	13,000,675	11,876,565
Associates	17,287,259	18,680,412
Joint ventures	14,280,601	17,085,319
Associates of the Group's ultimate holding company	6,038	2,586
The substantial shareholder	1,599	60,501
Total	62,413,623	67,478,756
Current portion	57,315,682	53,534,067
Non-current portion	5,097,941	13,944,689
Total	62,413,623	67,478,756

Certain amounts due to above related parties are interest bearing at a rate from 1.50% to 4.28% (2024: 2.00% to 5.80%).

29. OTHER FINANCIAL ASSETS

	2025 RMB'000	2024 RMB'000
Non-current balances		
Unlisted equity investments, at fair value	183,130	269,828
Investment in a land development project, at fair value	5,333,541	5,415,274
Total – non-current	5,516,671	5,685,102
Current balances		
Other unlisted investments, at fair value	40	40
Total	5,516,711	5,685,142

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognize the fair value gain or loss through other comprehensive income.

Investment in a land development project as at 31 December 2025 represented the interest in Phase II of Changsha Meixi Lake Primary Development Project. The other unlisted investments include wealth management products issued by financial institutions in Chinese mainland and investments in unlisted funds. These investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

30. CASH AND CASH EQUIVALENTS, RESTRICTED BANK BALANCES AND DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	28,403,232	30,805,085
Time deposits	3,985,732	4,050,695
Subtotal	32,388,964	34,855,780
Less:		
Restricted bank balances	(3,985,732)	(4,050,695)
Cash and cash equivalents	28,403,232	30,805,085

At 31 December 2025, the cash and bank balances and the time deposits of the Group denominated in RMB amounted to RMB28,136,198,000 (2024: RMB30,945,702,000). The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of within one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Included in the Group's cash and cash equivalents are deposits of RMB8,075,052,000 (2024: RMB8,271,489,000) placed with Sinochem Group Finance Co., Ltd. ("Sinochem Finance"), a financial institution approved by the People's Bank of China. The interest rates on these deposits ranged from 0.25% to 2.10% per annum (2024: 0.55% to 1.90%). Further details of the interest income attributable to the deposits placed with Sinochem Finance are set out in note 47 to the financial statements.

As at 31 December 2025, restricted bank balances included the regulated pre-sales proceeds of properties of RMB3,550,239,000 (2024: RMB2,502,400,000), and guarantee deposits designated for certain property development projects.

31. DUE FROM NON-CONTROLLING SHAREHOLDERS

The amounts due from non-controlling shareholders of RMB649,571,000 as at 31 December 2025 (2024: RMB1,488,749,000) represented loans (the "Loans") provided by certain non-wholly-owned subsidiaries of the Company (the "Lending Subsidiaries") to their non-controlling shareholders. The Loans were financed by the non-restricted cash from the Lending Subsidiaries' sale of properties generated in their ordinary course of business, and were provided to their shareholders in proportion to their shareholdings. The non-current balances of amounts due from non-controlling shareholders are unsecured, bear interest at rates ranging from 1.55% to 1.68% (2024: 2.00% to 4.35%) per annum and are not repayable within one year.

32. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills 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 or on demand	16,555,531	20,344,679
Over 1 year	7,663,424	2,513,368
Total	24,218,955	22,858,047

The trade and bills payables are non-interest-bearing and are normally settled on 60-day terms.

The financial liabilities that are part of the Group's supplier finance arrangements included in trade payables are normally settled on 60-day terms and 180-day terms, respectively.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or at a later date as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider.

All financial liabilities that are part of the supplier finance arrangements are included in trade and bills payables in the statement of financial position and within trade payables.

	2025 RMB'000	2024 RMB'000
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:		
Trade and bills payables	904,150	967,339
Of which suppliers have received payments	901,742	954,846

For financial liabilities that are part of the supplier finance arrangements included in trade and bills payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

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33. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Other payables	(a)	**18,105,273**	12,490,963
Receipts in advance		**2,233,323**	2,962,439
Contract liabilities	(b)	**64,197,801**	52,752,143
Accruals		**601,034**	590,627
Due to non-controlling shareholders	(c)	**4,382,913**	3,338,767
Deferred revenue		**845,100**	825,854
Carrying amount at 31 December		**90,365,444**	72,960,793
Current portion		**88,321,381**	70,673,497
Non-current portion		**2,044,063**	2,287,296

Notes:

(a) Other payables are non-interest-bearing with an average term of not more than one year. The value added taxes ("VAT") relating to pre-sales of properties are included in other payables as at 31 December 2025 with an amount of approximately RMB5,852,188,000 (2024: RMB4,694,195,000). VAT payable is recognised when or as the control of the properties is transferred to customers and revenue is recognised.

(b) Details of contract liabilities are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
Short-term advances received from customers:			
Sale of properties	**62,497,488**	50,984,397	53,917,034
Hotel operations	**42,268**	47,817	49,737
Property management services	**767,460**	646,734	464,558
Others	**890,585**	1,073,195	805,102
Total contract liabilities	**64,197,801**	52,752,143	55,236,431

Contract liabilities include short-term advances received to deliver completed properties and land development assets, render hotel operations, design and decoration services and management services. The increase in contract liabilities in 2025 was mainly due to the increase in short-term advances received from customers in relation to the sales of properties at the end of the years.

(c) The amounts due to non-controlling shareholders as at 31 December 2025 are unsecured and interest-free, except for the amounts of RMB830,989,000 in aggregate, which bear interest at rates ranging from 3.00% to 8.00% per annum (2024: RMB1,183,771,000 in aggregate, which bear interest at rates ranging from 3.45% to 8.00% per annum).

34. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Bank loans, secured	2.34-7.50	2026	4,077,304	2.29-8.00	2025	7,013,546
Bank loans, unsecured	2.11-7.50	2026	11,873,102	2.15-8.00	2025	8,305,761
Other loans, unsecured	2.40-4.90	2026	370,000	–	–	–
Other loans, secured	5.82	2026	37,952	3.00-5.82	2025	172,117
Bonds, unsecured	3.20-3.70	2026	11,766,239	3.25-4.00	2025	6,115,621
Total – current			28,124,597			21,607,045
Non-current						
Bank loans, secured	2.20-7.00	2027-2045	50,405,520	2.44-7.50	2026-2039	15,405,498
Bank loans, unsecured	2.09-8.50	2027-2038	25,716,050	2.15-8.00	2026-2038	26,964,672
Other loans, unsecured	–	–	–	4.60-5.30	2026-2028	6,370,000
Other loans, secured	2.40-5.81	2027-2041	5,266,153	3.00-5.82	2026-2041	23,020,203
Bonds, unsecured	2.30-4.00	2027-2029	19,499,662	2.80-4.40	2026-2029	29,433,497
Total – non-current			100,887,385			101,193,870
Total			129,011,982			122,800,915

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	15,950,406	15,319,307
In the second year	23,657,376	20,716,738
In the third to fifth years, inclusive	33,436,781	14,929,381
Beyond five years	19,027,413	6,724,050
Subtotal	92,071,976	57,689,476
Other borrowings repayable:		
Within one year	12,174,191	6,287,738
In the second year	5,084,250	17,647,138
In the third to fifth years, inclusive	14,728,162	27,871,063
Beyond five years	4,953,403	13,305,500
Subtotal	36,940,006	65,111,439
Total	129,011,982	122,800,915

34. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

(a) Certain of the Group's bank and other borrowings are secured by:

(i) certain of the Group's property, plant and equipment, which had an aggregate net carrying value at the end of the reporting period of RMB4,021,139,000 (2024: RMB5,183,985,000);

(ii) certain of the Group's properties under development, which had an aggregate carrying amount at the end of the reporting period of approximately RMB57,630,060,000 (2024: RMB48,890,597,000);

(iii) certain of the Group's properties held for sale, which had an aggregate carrying amount at the end of the reporting period of RMB9,520,397,000 (2024: RMB7,556,171,000);

(iv) certain of the Group's investment properties, which had an aggregate carrying value at the end of the reporting period of approximately RMB17,424,690,000 (2024: RMB27,204,084,000);

(v) certain of the Group's trade and bills receivables, which had an aggregate net carrying value at the end of the reporting period of RMB11,398,000 (2024: RMB2,457,000);

(vi) certain of the Group's right-of-use assets, which had an aggregate net carrying value at the end of the reporting period of RMB 152,436,000 (2024: RMB220,736,000).

(vii) the Group's investment in an associate with an aggregate net carrying value at the end of the reporting period of RMB 152,447,000 (2024: RMB156,835,000).

(viii) the revenue generated during the year by the Group's certain pledged investment properties and hotels with an aggregate amount of RMB1,917,562,000 (2024: RMB1,261,194,000).

(b) Except for the bank and other borrowings amounting to approximately RMB7,715,901,000 (2024: RMB10,399,119,000) and RMB21,642,110,000 (2024: RMB24,100,580,000) which are denominated in United States dollars and Hong Kong dollars, respectively, all bank and other borrowings are denominated in RMB.

35. PROVISION FOR LAND APPRECIATION TAX

PRC land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例) 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税暫行條例實施細則) effective from 27 January 1995, all income arising from the sale or transfer of state-owned land use rights, buildings and their attached facilities in Chinese mainland is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption 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.

Effective from 1995, the local tax bureau requires the prepayment of LAT on the pre-sales and sales proceeds of property development. According to the relevant tax notices issued by local tax authorities, the Group is required to pay LAT in advance at 1.0% to 5.0% on the pre-sales and sales proceeds of the Group's properties.

The Group has estimated, made and included in taxation a provision for LAT according to the requirements set out 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. The tax authorities might disagree with the basis on which the provision for LAT is calculated.

36. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Revaluation of properties RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Fair value adjustment arising from acquisition of subsidiaries RMB'000	Withholding taxes RMB'000	Accrued interest income RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	4,463,098	1,010,948	2,852,372	110,257	76,230	839,911	9,352,816
Acquisition of subsidiaries (note 41)	–	–	84,689	–	–	–	84,689
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	2,130	49,086	(195,566)	–	(1,606)	19,541	(126,415)
Disposal of subsidiaries (note 43)	–	(2,223)	–	–	–	–	(2,223)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	4,465,228	1,057,811	2,741,495	110,257	74,624	859,452	9,308,867
Acquisition of subsidiaries (note 41)	–	–	195,556	–	–	–	195,556
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	(28,272)	114,537	(7,889)	–	73,492	52,045	203,913
Deferred tax charged to asset revaluation reserve during the year	11,346	–	–	–	–	–	11,346
Disposal of subsidiaries (note 43)	–	–	–	–	–	(7,023)	(7,023)
Gross deferred tax liabilities at 31 December 2025	4,448,302	1,172,348	2,929,162	110,257	148,116	904,474	9,712,659

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36. DEFERRED TAX (Continued)

Deferred tax assets

	Provision for LAT RMB'000	Losses available for offsetting against future taxable profits RMB'000	Unrealised profit arising from intra-group transactions RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	190,223	1,258,517	919,747	771,080	3,139,567
Acquisition of subsidiaries (note 41)	–	9,128	–	–	9,128
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 11)	(17,964)	188,095	(180,986)	(32,619)	(43,474)
Disposal of subsidiaries (note 43)	–	(26,577)	–	–	(26,577)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	172,259	1,429,163	738,761	738,461	3,078,644
Acquisition of subsidiaries (note 41)	–	190,049	–	–	190,049
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 11)	(13,148)	(133,834)	(55,261)	19,434	(182,809)
Disposal of subsidiaries (note 43)	–	(47,193)	–	–	(47,193)
Gross deferred tax assets at 31 December 2025	159,111	1,438,185	683,500	757,895	3,038,691

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position.

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	3,040,239	3,089,818
Net deferred tax liabilities recognised in the consolidated statement of financial position	(9,714,206)	(9,320,041)
	(6,673,967)	(6,230,223)

36. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

The Group has tax losses arising in Hong Kong of RMB502,440,000 (2024: RMB1,029,210,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Chinese mainland of RMB22,754,642,000 (2024: RMB18,185,713,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

At 31 December 2025, the Group recognised deferred tax liabilities of approximately RMB110,257,000 (2024: RMB110,257,000) for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in Chinese mainland. In the opinion of the directors, it is not probable that the remaining unremitted earnings of the Group's subsidiaries, associates, joint ventures and joint operations will be distributed in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries, associates, joint ventures and joint operations in Chinese mainland for which deferred tax liabilities have not been recognised totalled approximately RMB23,767,826,000 at 31 December 2025 (2024: RMB26,803,747,000).

There is no income tax consequence attaching to the payment of dividends by the Company to its shareholders.

37. PERPETUAL CAPITAL INSTRUMENTS

(a) 2021 Subordinate Guaranteed Perpetual Capital Securities

On 8 February 2021, Franshion Brilliant Limited issued the subordinate guaranteed perpetual capital securities with an aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,233,900,000). The direct transaction costs attributable to the issuance amounted to US$1,695,000 (equivalent to approximately RMB10,964,000).

The securities confer a right to receive distributions at the applicable distribution rate of 6.00% per annum from and including 8 August 2021, payable semi-annually on 8 February and 8 August of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

As of 31 December 2025, the Group had elected to redeem all of the 2021 Subordinate Guaranteed Perpetual Capital Securities with a principal amount of US$500,000,000.

(b) 2024 Sinochem Hong Kong Perpetual Debts

On 6 June 2024, the Company entered into a perpetual debt agreement, in an aggregate principal amount of RMB15,000,000,000 with its immediate holding company, Sinochem Hong Kong. The debts confer a right to receive distribution at 4.35% per annum from and including 15 March 2025, payable semi-annually on 15 March and 15 September of each year. The Company may, at its sole discretion, elect to defer a distribution pursuant to the terms of the debts. On 3 March 2025, the lender changed from Sinochem Hong Kong to its designated wholly-owned subsidiary, Sinochem Hong Kong Capital Management Co., Ltd., without modification of the terms.

In the opinion of the directors, the Group is able to control the delivery of cash or other financial assets to the holders of the perpetual capital instruments in (b) above due to redemption other than an unforeseen liquidation of the Company or the issuers. Accordingly, these instruments are classified as equity instruments.

38. SHARE CAPITAL

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2024	13,499,588,252	26,917,815
Scrip dividends (note 12)	6,382,966	7,208
At 31 December 2024 and 1 January 2025	13,505,971,218	26,925,023
Scrip dividends (note 12)	6,495,130	8,557
At 31 December 2025	13,512,466,348	26,933,580

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 39 to the financial statements.

39. SHARE OPTION SCHEME

2007 Scheme

The Company adopted a share option scheme on 22 November 2007 (the "2007 Scheme"), which has expired on 21 November 2017. All the share options granted and yet to be exercised under the 2007 Scheme were expired and lapsed on 16 October 2023. Accordingly, there were no outstanding share options granted and yet to be exercised under the 2007 Scheme as at 31 December 2023.

New Scheme

On 29 January 2019, a new share option scheme (the "New Scheme") was adopted by the Company to enhance the Company's continuous commitment to eligible participants and enhance them to pursue the objectives of the Company. On 8 February 2019, an aggregate of 265,950,000 share options were granted under the New Scheme to eligible participants of the Group. These share options have an exercise price of HK$3.99 per share. One-third of the share options granted will be vested in two years from 8 February 2019, one-third of the share options granted will be vested in three years from 8 February 2019 and one-third of the options granted will be vested in four years from 8 February 2019. Once the share options are vested, they are exercisable until 7 February 2026.

On 9 September 2019, an aggregate of 9,000,000 share options were granted under the New Scheme to eligible participants of the Group. These share options have an exercise price of HK$4.58 per share. One-third of the share options granted will be vested in two years from 9 September 2019, one-third of the share options granted will be vested in three years from 9 September and one-third of the options granted will be vested in four years from 9 September. Once the share options are vested, they are exercisable until 8 September 2026.

According to the terms of the New Scheme, the board of directors shall at its absolute discretion grant to any participant a certain number of options at any time within 10 years after the adoption date of the New Scheme. Participants, i.e. recipients of the options granted, include any existing executive or non-executive directors of any member of the Group and any senior management, key technical and professional personnel, managers and employees of any member of the Group, but do not include any independent non-executive directors of the Company.

The number of shares to be issued at any time upon exercise of all options granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the then issued share capital of the Company.

Unless an approval of shareholders is obtained at a general meeting, if the total number of shares issued and shares which may fall to be issued upon exercise of the share options (including exercised, cancelled and outstanding options) granted under the New Scheme and any other share option schemes of the Company to a participant in any 12-month period in aggregate exceeds 1% of the issued share capital of the Company at any time, no further options shall be granted to such participant. Upon acceptance of the grant, the grantee undertakes that he/she will, at the request of the Company, pay a consideration of HK$1 or the equivalent (to be determined on the date when the offer of the grant is accepted) to the Company for acceptance of the offer of the grant of the share option.

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39. SHARE OPTION SCHEME (Continued)

New Scheme (Continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. The following share options were outstanding under the New Scheme during the year:

	2025		2024	
	Weighted average exercise price HK$ per share	Number of options	Weighted average exercise price HK$ per share	Number of options
At 1 January	4.00	106,858,000	4.01	134,676,000
Forfeited during the year	3.99	(9,084,000)	3.99	(27,818,000)
At 31 December	4.00	97,774,000	4.00	106,858,000

The exercise prices and exercise periods of the share options outstanding under the New Scheme as at the end of the reporting period are as follows:

2025

Number of options	Exercise price* HK$ per share	Exercise period
47,996,000	3.99	8 February 2021 to 7 February 2026
47,778,000	3.99	8 February 2023 to 7 February 2026
1,000,000	4.58	9 September 2021 to 8 September 2026
1,000,000	4.58	9 September 2023 to 8 September 2026
97,774,000		

2024

Number of options	Exercise price* HK$ per share	Exercise period
52,512,000	3.99	8 February 2021 to 7 February 2026
52,346,000	3.99	8 February 2023 to 7 February 2026
1,000,000	4.58	9 September 2021 to 8 September 2026
1,000,000	4.58	9 September 2023 to 8 September 2026
106,858,000		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

39. SHARE OPTION SCHEME (Continued)

New Scheme (Continued)

The fair value of the share options granted during the year ended 31 December 2019 was HK$257,594,000.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 97,774,000 share options outstanding under the New Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 97,774,000 additional ordinary shares of the Company and additional share capital of HK$391,298,000 (equivalent to RMB358,463,000) (before issue expenses).

40. 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.

Capital reserve

The capital reserve represents additional contribution made by the shareholders of the Company's subsidiaries and, in the case of an acquisition of an additional equity interest in a non-wholly-owned subsidiary, the difference between the cost of acquisition and the non-controlling interests acquired.

PRC 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 Group's subsidiaries established in Chinese mainland and were approved by the board of directors of the respective subsidiaries.

The statutory surplus reserve can be used to cover previous years' losses, if any, and may be converted into capital in proportion to equity holders' existing equity holding, provided that the balance after such conversion is not less than 25% of their registered capital.

Asset revaluation reserve

The asset revaluation reserve arose from the change in use from owner-occupied properties to investment properties carried at fair value.

Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share capital account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

Hedging reserve

The hedging reserve represents reserves related to net investment hedges.

41. BUSINESS COMBINATION

(a) 2025 business combination

The Group's business combination during the year ended 31 December 2025 mainly included the acquisitions of a number of property development companies and acquisition of additional interests in joint ventures (collectively referred to as the "2025 Acquirees"). The directors of the Company consider that none of the 2025 Acquirees acquired during the year was significant to the Group and thus the individual financial information of the 2025 Acquirees on the acquisition date was not disclosed.

The Group remeasured the fair value of the equity interest previously held as joint ventures at the date of acquisition, and fair value gains of RMB260,937,000 were recognised in other income and gains in the consolidated statement of profit or loss during the year ended 31 December 2025 (note 5).

The Group has elected to measure the non-controlling interest in the 2025 Acquirees at the non-controlling interest's proportionate share of the 2025 Acquirees' identifiable net assets.

The fair values of the identifiable assets and liabilities of the 2025 Acquirees as at the date of acquisition were as follows:

	Notes	RMB'000
Property, plant and equipment	14	235
Properties held for sale		2,225,720
Properties under development		4,487,822
Investment properties	18	863,000
Deferred tax assets	36	190,049
Trade and bill receivables		9
Prepayments, other receivables and other assets		5,146,225
Prepaid tax		181,643
Cash and cash equivalents		1,255,451
Trade and bills payables		(1,643,861)
Other payables and accruals		(5,201,889)
Interest-bearing bank and other borrowings		(350,000)
Provision for land appreciation tax		(783,196)
Tax payable		(123,046)
Lease liabilities	19(b), 44	(66,053)
Deferred tax liabilities	36	(195,556)
Total identifiable net assets at fair value		5,986,553
Non-controlling interests		(2,728,219)
		3,258,334
Satisfied by:		
Cash		1,828,500
Fair value of equity interest previously held as investments in joint ventures		1,429,834
Total purchase consideration		3,258,334

41. BUSINESS COMBINATION (Continued)

(a) 2025 business combination (Continued)

The fair values of its other receivables as at the date of acquisition amounted to RMB5,142,061,000, which are equal to its gross contractual amounts.

The Group incurred transaction costs of RMB450,000 for these acquisitions. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

An analysis of the cash flows in respect of the acquisition of the subsidiaries is as follows:

	RMB'000
Cash consideration	(1,828,500)
Cash and bank balances acquired	1,255,451
Net outflow of cash and cash equivalents included in cash flows from investing activities	(573,049)
Transaction costs of the acquisition included in cash flows used in operating activities	(450)
Total net cash outflow	(573,499)

Since the acquisition, the 2025 Acquirees did not generate any revenue and incurred a loss of RMB147,000 to the consolidated profit for the year ended 31 December 2025 in aggregate.

Had the combination taken place at the beginning of the year ended 31 December 2025, the revenue from continuing operations of the Group and the profit of the Group for the year ended 31 December 2025 would have been RMB63,988,599,000 and RMB2,119,436,000 respectively.

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41. BUSINESS COMBINATION (Continued)

(b) 2024 business combination

The Group's business combination during the year ended 31 December 2024 mainly included the acquisitions of a number of property development companies and acquisition of additional interests in joint ventures (collectively referred to as the "2024 Acquirees"). The directors of the Company consider that none of the 2024 Acquirees acquired during the year was significant to the Group and thus the individual financial information of the 2024 Acquirees on the acquisition date was not disclosed.

The Group remeasured the fair value of the equity interest previously held as joint ventures at the date of acquisition, and fair value gains of RMB149,853,000 were recognised in other income and gains in the consolidated statement of profit or loss during the year ended 31 December 2024 (note 5).

The Group has elected to measure the non-controlling interest in the 2024 Acquirees at the non-controlling interest's proportionate share of the 2024 Acquirees' identifiable net assets.

The fair values of the identifiable assets and liabilities of the 2024 Acquirees as at the date of acquisition were as follows:

	Notes	RMB'000
Property, plant and equipment	14	37,149
Right-of-use assets	19(a)	16,714
Intangible assets	21	12
Financial assets at fair value through profit or loss		106,769
Properties under development		7,862,944
Investment properties	18	14,133
Deferred tax assets	36	9,128
Trade and bill receivables		72,062
Other financial assets		2,659
Prepayments, other receivables and other assets		977,935
Prepaid tax		267,911
Cash and cash equivalents		416,015
Trade and bills payables		(369,757)
Other payables and accruals		(5,306,480)
Interest-bearing bank and other borrowings		(1,507,898)
Tax payable		(15)
Lease liabilities	19(b), 44	(16,714)
Deferred tax liabilities	36	(84,689)
Total identifiable net assets at fair value		2,497,878
Non-controlling interests		(771,180)
Gain on bargain purchase recognised in other income and gains in the consolidated income statement	5	(2,625)
Goodwill		230,752
		1,954,825
Satisfied by:		
Cash		882,637
Fair value of equity interest previously held as investments in joint ventures		622,083
Capital contribution		450,105
Total purchase consideration		1,954,825

The fair values of its other receivables as at the date of acquisition amounted to RMB933,568,000, which are equal to its gross contractual amounts.

41. BUSINESS COMBINATION (Continued)

(b) 2024 business combination (Continued)

The Group incurred transaction costs of RMB2,370,000 for these acquisitions. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The Group recognised a gain on bargain purchase of approximately RMB2,625,000 in the consolidated statement of profit or loss for the year ended 31 December 2024, which was, in the opinion of the directors, primarily attributable to the Group's ability in negotiating the agreed terms of the transaction with the independent third parties, as the Group has good reputation and rich experience in the property development and management of residential properties, commercial buildings and hotel properties, and has sufficient available funds for the ongoing development of the project.

An analysis of the cash flows in respect of the acquisition of the subsidiaries is as follows:

	RMB'000
Cash consideration	(882,637)
Cash and bank balances acquired	416,015
Net inflow of cash and cash equivalents included in cash flows from investing activities	(466,622)
Transaction costs of the acquisition included in cash flows used in operating activities	(2,370)
Total net cash outflow	(468,992)

Since the acquisition, the 2024 Acquirees contributed RMB2,464,982,000 to the Group's revenue and RMB161,388,000 to the consolidated profit for the year ended 31 December 2024 in aggregate.

Had the combination taken place at the beginning of the year ended 31 December 2024, the revenue of the Group and the profit of the Group for the year ended 31 December 2024 would have been RMB59,361,793,000 and RMB2,214,227,000 respectively.

42. ACQUISITION OF NON-CONTROLLING INTERESTS

During the year, the Group acquired additional interest of voting shares of certain property development subsidiaries (collectively referred to as the "NCIs"). The directors of the Company consider that none of the NCIs acquired during the year was significant to the Group and thus the individual schedule information of the NCIs was not disclosed. The following is a schedule of the additional interest acquired in the NCIs:

	2025 RMB'000	2024 RMB'000
Cash consideration paid to non-controlling shareholders	**4,570,881**	3,102,197
Carrying value of the additional interest in subsidiaries	**3,682,315**	2,620,622
Difference recognised in other reserves	**888,566**	481,575

43. DISPOSAL OF SUBSIDIARIES

During the years ended 31 December 2025 and 31 December 2024, the Group lost control over certain subsidiaries.

	Notes	2025 RMB'000	2024 RMB'000
Net assets disposed of:			
Property, plant and equipment	14	584,392	311,543
Intangible assets	21	2,890	234
Right-of-use assets	19(a)	109,505	103,065
Investment properties	18	–	1,004,000
Deferred tax assets	36	47,193	26,577
Cash and cash equivalents		1,715,484	1,782,974
Inventories		71,208	387
Trade and bill receivables		88,834	3,970
Properties under development		3,530,397	14,128,727
Land under development		393,593	–
Prepayments, other receivables and other assets		3,126,244	2,619,782
Prepaid tax		26,269	258,385
Trade and bills payables		(178,866)	(2,329,343)
Other payables and accruals		(6,199,042)	(14,854,601)
Lease liabilities	19(b)	–	(2,376)
Deferred tax liabilities	36	(7,023)	(2,223)
Interest-bearing bank and other borrowings		(1,770,000)	(2,280,434)
		1,541,078	770,667
Non-controlling interests		(102,800)	(194,063)
Subtotal		1,438,278	576,604
Gain on disposal of a subsidiary	5	2,111,518	2,094,092
Total consideration		3,549,796	2,670,696
Satisfied by:			
Cash		3,046,200	1,990,553
Fair value of interests retained by the Group		503,596	680,143
		3,549,796	2,670,696

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB117,915,000, including those classified under investment properties of RMB89,781,000 (2024: RMB96,124,000) and RMB117,915,000 (2024: RMB139,151,000), respectively.

(b) Changes in liabilities arising from financing activities:

2025

	Bank and other borrowings RMB'000	Payable to non-controlling shareholders and others RMB'000	Lease liabilities RMB'000
At 1 January 2025	122,800,915	10,365,036	1,125,475
Changes from financing cash flows	8,419,045	(10,519,757)	(92,338)
Foreign exchange movement	(796,096)	–	–
New leases	–	–	117,915
Interest expense	8,118	–	43,218
Termination	–	–	(68,687)
Dividends to non-controlling shareholders	–	757,425	–
Lease modification	–	–	(54,109)
Decrease arising from disposal of subsidiaries (note 43)	(1,770,000)	–	–
Increase arising from acquisition of subsidiaries (note 41)	350,000	–	66,053
At 31 December 2025	129,011,982	602,704	1,137,527

2024

	Bank and other borrowings RMB'000	Payable to non-controlling shareholders and third parties RMB'000	Lease liabilities RMB'000
At 1 January 2024	127,379,349	10,219,345	1,114,309
Changes from financing cash flows	3,732,611	(769,207)	(155,020)
Foreign exchange movement	870,391	–	–
New leases	–	–	139,151
Interest expense	9,317	–	49,342
Termination	–	–	(36,645)
Dividends to non-controlling shareholders	–	914,898	–
Decrease arising from reclassification to due to related parties	(8,418,217)	–	–
Decrease arising from disposal of subsidiaries (note 43)	(2,280,434)	–	(2,376)
Increase arising from acquisition of subsidiaries (note 41)	1,507,898	–	16,714
At 31 December 2024	122,800,915	10,365,036	1,125,475

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44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Total cash outflow for leases:

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	32,017	31,510
Within financing activities	92,338	155,020
Total	124,355	186,530

(d) Net cash outflow in respect of acquisition of subsidiaries

During the year, the Group acquired interest of certain investment properties owner companies from independent third parties at a total cash consideration of RMB823,874,000 (2024: Nil). The transactions are recognised as assets acquisition instead of business combination. The directors of the Company consider that none of them acquired during the year was significant to the Group and thus the individual schedule information was not disclosed. The net assets acquired are as follows:

	2025 RMB'000	2024 RMB'000
Investment properties	1,799,885	–
Cash and bank balances	31,815	–
Prepayments, other receivables and other assets	40,509	–
Other payables and accruals	(1,048,335)	–
Total	823,874	–
Satisfied by:		
Cash	823,874	–

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries are as follows:

	2025 RMB'000	2024 RMB'000
Cash consideration	(823,874)	–
Cash and bank balances acquired	31,815	–
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	(792,059)	–

45. FINANCIAL GUARANTEES

At the end of the reporting period, the Group has provided guarantees amounting to approximately RMB5,818,586,000 (2024: RMB6,739,504,000) in respect of mortgage facilities for certain purchasers of the Group's properties.

Besides, as at 31 December 2025, the Group provided guarantees of RMB727,335,000 (2024: RMB1,364,269,000) and RMB280,305,000 (2024: RMB632,190,000) to certain joint ventures and associates of the Group related to their bank loans, respectively. At 31 December 2025, certain of the Group's investments in joint ventures and associates, which had an aggregate net carrying amount of RMB446,126,000 (2024: RMB1,064,484,000) were also pledged to secure their bank loans aforementioned.

The Group assessed that the fair value at initial recognition of the financial guarantees and the ECL allowance during the year were not significant.

46. COMMITMENTS

(a) The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Properties under development	**62,481,615**	56,648,289
Land under development	**3,905,831**	5,339,259
Property, plant and equipment	**295,669**	304,232
Capital contributions to joint ventures and associates	**8,815,634**	4,031,872
Total	**75,498,749**	66,323,652

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts are RMB1,659,000 (2024: RMB10,635,000) due within one year.

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47. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed in notes 28 to the financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2025 RMB'000	2024 RMB'000
The immediate holding company:			
Rental expense	(i)	658	797
Interest expense	(ii)	–	440,661
An intermediate holding company:			
Rental income*	(i)	82,318	108,229
Property management fee income*	(i)	7,496	10,171
Interest expense	(ii)	970,071	292,712
Building decoration service income	(i)	2,757	138
Consulting fee income		62	–
The ultimate holding company:			
Rental income*	(i)	3	442
Property management fee income*	(i)	4,789	426
Fellow subsidiaries:			
Rental income*	(i)	219,391	219,218
Property management fee income*	(i)	89,480	51,533
Interest expense*	(ii)	196,233	124,729
Interest income*	(iii)	145,025	76,439
Building decoration service income	(i)	35,564	7,144
Other service income	(i)	1,097	314
Information technology expenses*	(i)	22,623	31,011
Other service expenses	(i)	241	–
Joint ventures:			
Interest income	(iii)	340,520	360,496
Interest expense	(ii)	48,101	246
Rental income	(i)	41,048	8,565
Property management fee income	(i)	96,888	60,391
Building decoration service income	(i)	377,417	299,023
Consulting fee income	(i)	21,376	57,969
Other service income	(i)	114,237	9,952
Associates:			
Interest income	(iii)	96,013	67,868
Interest expense	(ii)	71,282	124,461
Property management fee income	(i)	89,545	27,772
Building decoration service income	(i)	127,059	206,527
Consulting fee income		15,276	48,970
Rental income	(i)	5,545	525
Other service income	(i)	1,215	9,104
Associates of the Group's ultimate holding company:			
Rental income*	(i)	6,041	26,874
Human resource service fees*	(i)	30,573	–
Property management fee income*	(i)	873	–
The substantial shareholder:			
Interest income*	(iii)	14,364	13,910
Interest expense*	(ii)	7,237	75,251

47. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

(i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(ii) The interest expense was charged at rates ranging from 1.5% to 5.80% (2024: 2.18% to 5.80%) per annum.

(iii) The interest income was determined at rates ranging from 2.18% to 9.5% (2024: 2.18% to 10.00%) per annum.

* A certain portion of these related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Compensation of key management personnel of the Group

	2025 RMB'000	2024 RMB'000
Short term employee benefits	17,390	13,022
Post-employment benefits	1,454	1,598
Total compensation paid to key management personnel	18,844	14,620

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

(c) Transactions and balances with other state-owned entities

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Entities" ("SOEs")). During the year, the Group had transactions with other SOEs including, but not limited to, borrowings, deposits, the sale of properties developed, the provision of property lease and management services and the provision of sub-contracting services. The directors of the Company consider that these transactions with other SOEs are activities conducted in the ordinary course of business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for its products and services and such pricing policies do not depend on whether or not the customers are SOEs.

(d) Provision of guarantees to certain joint ventures and associates related to their borrowings

As at 31 December 2025, the Group provided guarantees of RMB727,335,000 (2024: RMB1,364,269,000) and RMB280,305,000 (2024: RMB632,190,000) to certain joint ventures and associates of the Group related to their borrowings, respectively.

The Group assessed that the fair value at initial recognition of the financial guarantees and the ECL allowance during the year were not significant.

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48. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2025			2024		
	Financial assets at fair value through profit or loss			Financial assets at fair value through profit or loss		
	Designated as such upon initial recognition RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000	Designated as such upon initial recognition RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets						
Trade and bills receivables	2,683,890	2,271,581	4,955,471	2,602,150	2,196,095	4,798,245
Financial assets included in prepayments, other receivables and other assets	–	39,903,957	39,903,957	–	34,222,386	34,222,386
Due from related parties	–	27,452,264	27,452,264	–	27,502,014	27,502,014
Due from non-controlling shareholders	–	649,571	649,571	–	1,488,749	1,488,749
Other financial assets	5,516,711	–	5,516,711	5,685,142	–	5,685,142
Restricted bank balances	–	3,985,732	3,985,732	–	4,050,695	4,050,695
Cash and cash equivalents	–	28,403,232	28,403,232	–	30,805,085	30,805,085
	8,200,601	102,666,337	110,866,938	8,287,292	100,265,024	108,552,316

	2025 Financial liabilities at amortised cost RMB'000	2024 Financial liabilities at amortised cost RMB'000
Financial liabilities		
Trade and bills payables	24,218,955	22,858,047
Financial liabilities included in other payables and accruals	24,541,864	18,679,735
Due to related parties	62,413,623	67,478,756
Interest-bearing bank and other borrowings	129,011,982	122,800,915
Lease liabilities	1,137,527	1,125,475
Total	241,323,951	232,942,928

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets				
Other financial assets	**5,516,711**	5,685,142	**5,516,711**	5,685,142
Trade receivables, non-current portion	**2,683,890**	2,602,150	**2,683,890**	2,602,150
	8,200,601	8,287,292	**8,200,601**	8,287,292
Financial liabilities				
Interest-bearing bank and other borrowings	**129,011,982**	122,800,915	**139,699,291**	126,195,313
	129,011,982	122,800,915	**139,699,291**	126,195,313

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances, trade and bills receivables-current portion, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and amounts due from/to related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of non-current portion of trade receivables, interest-bearing bank and other borrowings except for notes and domestic corporate bonds have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values of notes and domestic corporate bonds are based on quoted market prices. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2025 were assessed to be insignificant.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Notes to Financial Statements

Year ended 31 December 2025

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other financial assets	143,340	5,373,371	5,516,711
Trade receivables, non-current portion	–	2,683,890	2,683,890

As at 31 December 2024

	Fair value measurement using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other financial assets	201,140	5,484,002	5,685,142
Trade receivables, non-current portion	–	2,602,150	2,602,150

The Group's assets were not categorised in Level 1 as at 31 December 2025 (2024: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	8,086,152	8,094,622
Additions	9,203	9,142
Revenue recognised in the statement of profit or loss	114,130	119,104
Received	(96,770)	(179,360)
Fair value (loss)/gain on trade receivables	(15,620)	94,076
Total losses recognised in the statement of profit or loss included in other losses	(39,834)	(51,432)
At 31 December	8,057,261	8,086,152

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 (2024: Nil).

Assets for which fair values are disclosed:

The carrying amounts of the Group's financial assets were either measured at fair value in the statement of financial positions or approximate to fair values as at 31 December 2025 and 2024.

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	33,503,388	106,195,903	–	139,699,291

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	35,396,378	90,798,935	–	126,195,313

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings and cash and short term deposits. 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 and bills receivables and trade and bills payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are 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.

Notes to Financial Statements

Year ended 31 December 2025

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax RMB'000
31 December 2025		
RMB	25	34,094
HK$	25	42,558
RMB	(25)	(34,094)
HK$	(25)	(42,558)

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss before tax RMB'000
31 December 2024		
RMB	25	(87,075)
HK$	25	(46,387)
RMB	(25)	87,075
HK$	(25)	46,387

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the year and has applied the exposure to interest rate risk to those bank and other borrowings in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year until the end of the next reporting period.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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 currencies out of Chinese mainland. 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 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 the prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, the approval from the appropriate PRC Governmental authorities is required where RMB is to be converted into foreign currencies and remitted out of Chinese mainland to pay capital account items, such as the repayment of bank loans denominated in foreign currencies.

Currently, the Group's PRC subsidiaries may purchase foreign currencies for settlement of current account transactions, including the payment of dividends to the Company, without the 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 the approval from the State Administration of Foreign Exchange, this could affect the ability of the Group's subsidiaries to obtain the required foreign currencies through debt or equity financing, including by means of loans or capital contributions.

The Group's financial assets and liabilities are not subject to foreign currency risk, except for certain short term deposits and interest-bearing borrowings denominated in United States dollars and Hong Kong dollars. The fluctuations in the exchange rates of RMB against foreign currencies could affect the Group's results of operations.

There are limited hedging instruments available in Chinese mainland to reduce the Group's exposure to exchange rate fluctuations between the RMB and other currencies. The Group has refrained from utilizing derivative financial instruments in respect of the cash flow hedges to minimise the foreign currency exposures. The Group may decide to enter into hedging transactions in the future in an effort to reduce the Group's exposure to foreign currency exchange risk, 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.

Notes to Financial Statements

Year ended 31 December 2025

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate between HK$ and US$ of the Group's profits for the years ended 31 December 2025 and 2024.

Increase/(decrease) in US$ rate	Increase/ (decrease) in profit for the year 2025 RMB'000	Increase/ (decrease) in profit for the year 2024 RMB'000
1%	(78,094)	(102,158)
(1%)	78,094	102,158

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate between RMB and US$ of the Group's profits for the years ended 31 December 2025 and 2024.

Increase/(decrease) in US$ rate	Increase/ (decrease) in profit for the year 2025 RMB'000	Increase/ (decrease) in profit for the year 2024 RMB'000
5%	89	696
(5%)	(89)	(696)

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	–	–	–	1,466,464	1,466,464
Trade and bills receivables at amortised cost*	–	–	–	2,389,820	2,389,820
Financial assets included in prepayments, other receivables and other assets – Normal**	39,903,957	–	–	–	39,903,957
Due from non-controlling shareholders	649,571	–	–	–	649,571
Due from related parties	20,322,108	10,334,282	–	–	30,656,390
Restricted bank balances – Not yet past due	3,985,732	–	–	–	3,985,732
Cash and cash equivalents – Not yet past due	28,403,232	–	–	–	28,403,232
Guarantee given to banks for mortgage facilities	5,818,586	–	–	–	5,818,586
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	1,007,640	–	–	–	1,007,640
Total	100,090,826	10,334,282		3,856,284	114,281,392

Notes to Financial Statements

Year ended 31 December 2025

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	–	–	–	1,341,452	1,341,452
Trade and bills receivables at amortised cost*	–	–	–	2,263,695	2,263,695
Financial assets included in prepayments, other receivables and other assets – Normal**	34,222,386	–	–	–	34,222,386
Due from non-controlling shareholders	1,488,749	–	–	–	1,488,749
Due from related parties	21,417,225	9,433,848	–	–	30,851,073
Restricted bank balances – Not yet past due	4,050,695	–	–	–	4,050,695
Cash and cash equivalents – Not yet past due	30,805,085	–	–	–	30,805,085
Guarantee given to banks for mortgage facilities	6,739,504	–	–	–	6,739,504
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	1,996,459	–	–	–	1,996,459
Total	100,720,103	9,433,848	–	3,605,147	113,759,098

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 25 and 27 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and contract assets are disclosed in notes 25 and 27 to the financial statements.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit facilities to meet its liquidity requirements. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, lease liabilities and other interest-bearing loans. In the opinion of the directors, most of the borrowings that mature within one year are able to be renewed and the Group is expected to have adequate source of funding to finance and manage its liquidity position.

Due to the Group's supplier finance arrangements, the relevant trade payables are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for trade payables covered by the arrangements are either identical to the payment terms for other trade payables or extended to not more than 180 days. Management does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk given the payment terms are not significantly extended. Details of the arrangements are disclosed in note 32 to the financial statements.

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:

	2025				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	32,650,998	32,102,392	52,695,480	29,759,315	147,208,185
Lease liabilities	302,147	291,108	850,832	1,121,655	2,565,742
Trade and bills payables	24,218,955	–	–	–	24,218,955
Other payables	22,514,156	16,355	2,057,882	9,727	24,598,120
Due to related parties	57,738,535	11,932	5,109,873	11,932	62,872,272
Guarantee given to banks for mortgage facilities	5,818,586	–	–	–	5,818,586
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	1,007,640	–	–	–	1,007,640
	144,251,017	32,421,787	60,714,067	30,902,629	268,289,500

Notes to Financial Statements

Year ended 31 December 2025

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

	2024				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	25,538,424	41,252,437	46,013,056	22,094,465	134,898,382
Lease liabilities	1,237,429	148,291	326,692	599,520	2,311,932
Trade and bills payables	22,858,047	–	–	–	22,858,047
Other payables	16,392,439	242,250	2,529,546	242,250	19,406,485
Due to related parties	54,685,703	499,994	14,162,990	203,755	69,552,442
Guarantee given to banks for mortgage facilities	6,739,504	–	–	–	6,739,504
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	1,996,459	–	–	–	1,996,459
	129,448,005	42,142,972	63,032,284	23,139,990	257,763,251

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group has established supplier finance arrangements to manage its working capital, details of which are included in note 32 to the financial statements.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital on the basis of the net debt-to-adjusted-capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest-bearing bank and other borrowings (as shown in the statement of financial position) less cash and cash equivalents, restricted bank balances and certain financial assets at fair value through profit or loss. Adjusted capital comprises all components of equity (including non-controlling interests) and the Company's amounts due to the holding companies. The Group aims to maintain the net debt-to-adjusted-capital ratio at a reasonable level. The net debt-to-adjusted-capital ratios as at the end of the reporting periods were as follows:

	Note	2025 RMB'000	2024 RMB'000
Interest-bearing bank and other borrowings	34	**129,011,982**	122,800,915
Less: Cash and cash equivalents, restricted bank balances and certain other financial assets		**(32,389,004)**	(34,855,820)
Net debt		**96,622,978**	87,945,095
Total equity		**119,561,434**	108,278,602
Add: the Group's amounts due to the holding companies*		**20,062,362**	22,694,300
Adjusted capital		**139,623,796**	130,972,902
Net debt-to-adjusted-capital ratio		**69.20%**	67.15%

* the Group's amounts due to the holding companies include the amounts due to Sinochem Hong Kong Capital Management Co., Ltd., a wholly-owned subsidiary of Sinochem Hong Kong (Group) Company Limited.

51. EVENTS AFTER THE REPORTING PERIOD

(a) On 4 February 2026, Shanghai Jinmao, a wholly-owned subsidiary of the Company, completed the issuance of the corporate bonds with a principal amount of RMB1,700,000,000. The corporate bonds are unsecured and have a term of 4 years with a fixed rate of 2.48% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year.

(b) On 10 February 2026, the Group completed the redemption and cancellation of the 2021 Subordinate Guaranteed Perpetual Capital Securities with a principal amount of US$500,000,000.

Notes to Financial Statements

Year ended 31 December 2025

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	553	148
Right-of-use assets	4,266	667
Investments in subsidiaries	39,775,093	35,232,788
Total non-current assets	39,779,912	35,233,603
CURRENT ASSETS		
Due from subsidiaries	41,083,719	47,714,986
Prepayments, other receivables and other assets	6	249
Due from related parties	374	461
Cash and cash equivalents	207,327	400,211
Total current assets	41,291,426	48,115,907
CURRENT LIABILITIES		
Other payables and accruals	741,262	802,197
Due to related parties	3,327,151	4,118,146
Interest-bearing bank and other borrowings	12,785,239	8,310,601
Lease liabilities	1,491	1,073
Total current liabilities	16,855,143	13,232,017
NET CURRENT ASSETS	24,436,283	34,883,890
TOTAL ASSETS LESS CURRENT LIABILITIES	64,216,195	70,117,493
NON-CURRENT LIABILITIES		
Due to subsidiaries	12,983,046	11,107,610
Lease liabilities	2,782	–
Interest-bearing bank and other borrowings	9,167,675	15,189,626
Total non-current liabilities	22,153,503	26,297,236
Net assets	42,062,692	43,820,257
EQUITY		
Share capital	26,933,580	26,925,023
Perpetual capital instrument	15,195,750	15,195,750
Reserves (note)	(66,638)	1,699,484
Total equity	42,062,692	43,820,257

TAO Tianhai
Director

QIAO Xiaojie
Director

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Exchange fluctuation reserve RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	673,331	156,157	92,332	921,820
2024 interim dividend settled by scrip dividend	–	–	(7,208)	(7,208)
2024 interim dividend settled by cash	–	–	(369,997)	(369,997)
Total comprehensive income for the year	858,756	–	296,113	1,154,869
At 31 December 2024 and 1 January 2025	1,532,087	156,157	11,240	1,699,484
2025 interim dividend settled by scrip dividend	–	–	(8,557)	(8,557)
2025 interim dividend settled by cash	–	–	(369,361)	(369,361)
Total comprehensive loss for the year	(1,061,672)	–	(326,532)	(1,388,204)
At 31 December 2025	470,415	156,157	(693,210)	(66,638)

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

53. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 March 2026.

Five-Year Financial Information

Year ended 31 December 2025

I. MAJOR INFORMATION OF STATEMENTS OF PROFIT OR LOSS

	Year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
RESULTS					
REVENUE	90,059,934	82,991,372	72,403,613	59,052,954	**59,371,324**
Cost of sales	(73,302,309)	(69,845,752)	(63,382,132)	(50,456,068)	**(50,149,990)**
Gross profit	16,757,625	13,145,620	9,021,481	8,596,886	**9,221,334**
Other income and gains	7,028,274	11,690,608	4,354,472	4,306,787	**3,852,269**
Selling and marketing expenses	(2,378,428)	(2,616,703)	(2,962,631)	(2,287,492)	**(2,189,086)**
Administrative expenses	(4,675,358)	(4,294,548)	(3,868,557)	(2,916,978)	**(2,535,215)**
Other expenses and losses, net	(2,806,638)	(5,954,108)	(5,423,991)	(2,033,897)	**(1,458,205)**
Finance costs	(2,787,670)	(2,711,121)	(3,013,873)	(2,534,525)	**(2,291,122)**
Share of profits and losses of:					
Joint ventures	996,077	73,467	(1,051,173)	988,412	**(3,760)**
Associates	580,388	423,965	131,739	318,778	**371,377**
PROFIT BEFORE TAX	12,714,270	9,757,180	(2,812,533)	4,437,971	**4,967,592**
Income tax expense	(5,009,439)	(4,536,286)	(2,045,816)	(2,238,274)	**(2,779,458)**
PROFIT FOR THE YEAR	7,704,831	5,220,894	(4,858,349)	2,199,697	**2,188,134**
Attributable to:					
Owners of the parent	4,689,944	1,984,083	(6,896,644)	1,064,809	**1,253,200**
Non-controlling interests	3,014,887	3,236,811	2,038,295	1,134,888	**934,934**
	7,704,831	5,220,894	(4,858,349)	2,199,697	**2,188,134**

II. MAJOR INFORMATION OF FINANCIAL POSITION

	As at 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Total non-current assets	206,091,016	230,423,143	219,967,817	216,200,744	**219,967,174**
Total current assets	205,911,288	191,472,496	187,151,384	193,055,674	**221,766,627**
Total assets	412,002,304	421,895,639	407,119,201	409,256,418	**441,733,801**
Total current liabilities	201,244,879	188,458,816	176,090,404	173,329,044	**203,603,320**
Total non-current liabilities	103,963,797	120,750,083	121,191,680	127,648,772	**118,569,047**
Total liabilities	305,208,676	309,208,899	297,282,084	300,977,816	**322,172,367**
Equity attributable to:					
Owners of the parent	49,961,349	47,445,427	39,291,296	53,575,131	**53,237,052**
Non-controlling interests	56,832,279	65,241,313	70,545,821	54,703,471	**66,324,382**
Total equity	106,793,628	112,686,740	109,837,117	108,278,602	**119,561,434**

PROTECT ENVIRONMENT, CREATE FUTURE TOGETHER

For the reason of good corporate citizenship, we print our 2025 Annual Report with paper from responsible source to fulfill our corporate responsibility and create a bright future for our next generation.

JINMAO
中国金茂

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