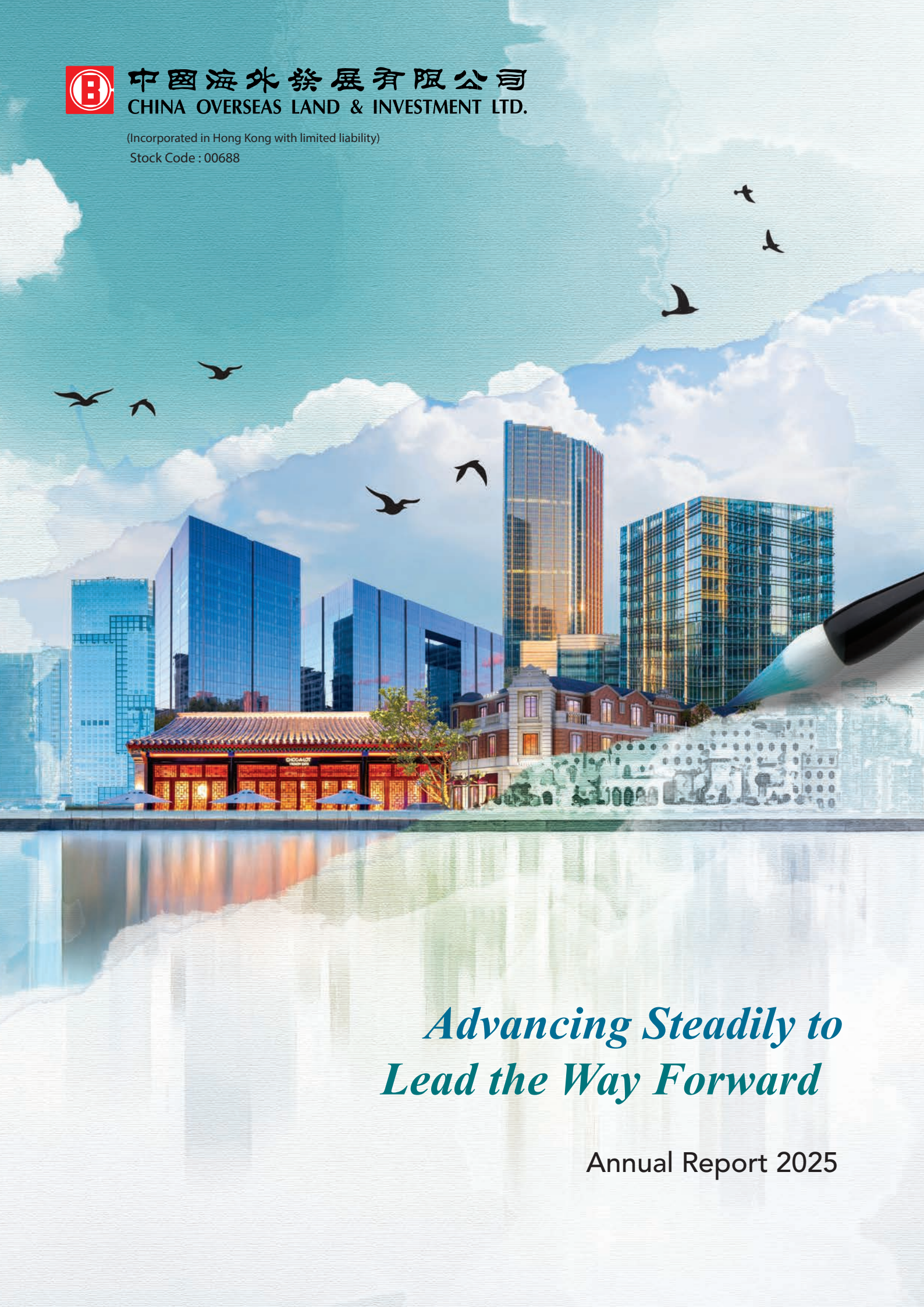




中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.

(Incorporated in Hong Kong with limited liability)

Stock Code : 00688



*Advancing Steadily to
Lead the Way Forward*

Annual Report 2025



Corniche, Beijing

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Board of Directors and Committees

EXECUTIVE DIRECTORS

Yan Jianguo	<i>Chairman</i>
Zhang Zhichao	<i>Chief Executive Officer</i>
Guo Guanghui	<i>Vice President</i>

NON-EXECUTIVE DIRECTORS

Zhuang Yong	<i>Vice Chairman</i>
Zhao Wenhai ⁽¹⁾	
Ma Yao ⁽²⁾	

INDEPENDENT NON-EXECUTIVE DIRECTORS

Li Man Bun, Brian David
Chan Ka Keung, Ceajer
Chan Ching Har, Eliza

AUTHORISED REPRESENTATIVES

Yan Jianguo
Guo Guanghui

AUDIT AND RISK MANAGEMENT COMMITTEE

Li Man Bun, Brian David (*Chairman*)
Chan Ka Keung, Ceajer
Chan Ching Har, Eliza

CORPORATE GOVERNANCE COMMITTEE

Chan Ka Keung, Ceajer (*Chairman*)
Li Man Bun, Brian David
Chan Ching Har, Eliza

NOMINATION COMMITTEE

Chan Ching Har, Eliza (*Chairman*)
Li Man Bun, Brian David
Chan Ka Keung, Ceajer

REMUNERATION COMMITTEE

Chan Ka Keung, Ceajer (*Chairman*)
Li Man Bun, Brian David
Chan Ching Har, Eliza

⁽¹⁾ *resigned with effect from 22 January 2025*

⁽²⁾ *appointed with effect from 22 January 2025*

Corporate Information

REGISTERED OFFICE

10/F., Three Pacific Place
1 Queen's Road East, Hong Kong
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
Website : www.coli.com.hk

COMPANY SECRETARY

Lam Timothy Andrew

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong
Telephone : (852) 2980 1333
Facsimile : (852) 2810 8185
E-mail : is-enquiries@vistra.com

INVESTOR RELATIONS

Corporate Communications Department
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
E-mail : coli.ir@cohl.com

PUBLIC RELATIONS

Corporate Communications Department
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
E-mail : coli.pr@cohl.com

INDEPENDENT AUDITOR

Ernst & Young
*Certified Public Accountants and
Registered Public Interest Entity Auditor*

PRINCIPAL BANKERS (IN ALPHABETICAL ORDER)

Agricultural Bank of China Limited
Bank of Beijing Co., Ltd.
Bank of China Limited
Bank of Communications Co., Ltd.
China Citic Bank Corporation Limited
China Construction Bank Corporation
China Everbright Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.
CMB Wing Lung Bank Limited
DBS Bank Limited
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Nanyang Commercial Bank, Limited
OCBC Bank (Hong Kong) Limited
Shanghai Pudong Development Bank Co., Ltd.
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

Shareholders' Information and Financial Calendar

LISTING

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and certain notes and corporate bonds issued by the Company's subsidiaries are listed on the Hong Kong Stock Exchange and/or other exchanges.

STOCK CODE

Shares

Hong Kong Stock Exchange	:	00688
Bloomberg	:	688:HK
Reuters	:	0688.HK

FINANCIAL CALENDAR

Interim results announcement	:	27 August 2025
Closure of register of members for interim dividend	:	18 September 2025
Interim dividend paid	:	3 October 2025
Final results announcement	:	31 March 2026
Closure of register of members for annual general meeting	:	18 June 2026 to 24 June 2026 (both dates inclusive)
Annual general meeting	:	24 June 2026
Closure of register of members for final dividend	:	30 June 2026
Final dividend paid	:	15 July 2026

Corporate Structure

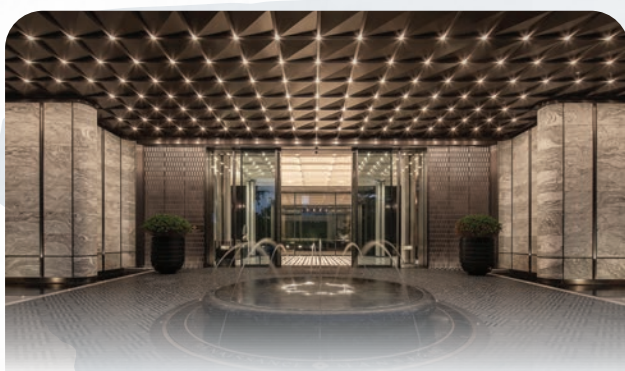
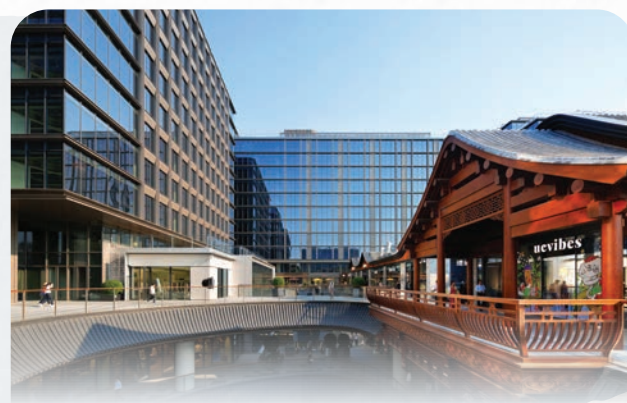


PROPERTY DEVELOPMENT*

- Chinese mainland
- Hong Kong
- Macau

COMMERCIAL PROPERTY OPERATIONS

- Chinese mainland
- Hong Kong
- Macau
- London



OTHER OPERATIONS

- Chinese mainland
- Macau

* Property development in 84 major cities in Chinese mainland, including Beijing, Shanghai, Guangzhou, Shenzhen, Changchun, Changsha, Chengdu, Chongqing, Dalian, Dongguan, Ezhou, Foshan, Fuzhou, Guiyang, Haikou, Hangzhou, Harbin, Jiangmen, Jiaxing, Jinan, Kunming, Nanchang, Nanjing, Ningbo, Qingdao, Shenyang, Shijiazhuang, Suzhou, Taiyuan, Taizhou (台州), Tianjin, Urumqi, Wanning, Weihai, Wenzhou, Wuhan, Wuxi, Xiamen, Xi'an, Yantai, Zhaoqing, Zhengzhou, Zhenjiang[^], Zhongshan, Zhuhai, Anqing[#], Baotou[#], Changzhou[#], Chuzhou[#], Ganzhou[#], Guilin[#], Hefei[#], Hohhot[#], Huai'an[#], Huangshan[#], Huizhou[#], Jilin[#], Jinhua[#], Jining[#], Jiujiang[#], Langfang[#], Lanzhou[#], Linyi[#], Liuzhou[#], Nanning[#], Nantong[#], Qingyuan[#], Quanzhou[#], Shantou[#], Shaoxing[#], Taizhou (泰州)[#], Tangshan[#], Tianshui[#], Weifang[#], Weinan[#], Xining[#], Xuzhou[#], Yancheng[#], Yangzhou[#], Yinchuan[#], Zhanjiang[#], Zhuzhou[#], Zibo[#], Zunyi[#] as well as in Hong Kong and Macau

[^] The cities where both China Overseas Land & Investment Limited (the "Company") and its subsidiaries (collectively known as the "Group") and China Overseas Grand Oceans Group Limited ("COGO") have operations

[#] The cities where COGO has operations

Financial Highlights

For the year ended 31 December	2025	2024	Change %
Financial Highlights (RMB billion)			
Contracted property sales ¹	251.23	310.69	-19.1
Revenue	168.09	185.15	-9.2
Revenue from commercial properties	7.2	7.13	+1.0
Profit attributable to shareholders of the Company	12.69	15.64	-18.9
Core profit attributable to shareholders of the Company ²	13.01	15.72	-17.2
Financial Ratios			
Interest coverage ratio (<i>times</i>)	2.8	2.8	–
Net gearing (%) ³	34.2	29.2	+5.0 ⁴
Financial Information per Share			
Basic earnings (<i>RMB</i>)	1.16	1.43	-18.9
Dividends (<i>HK cents</i>)	50	60	-16.7
— Interim dividend (<i>HK cents</i>)	25	30	-16.7
— Final dividend (<i>HK cents</i>)	25	30	-16.7
Land Reserve (Total GFA, million sq m)			
Newly acquired land reserve	4.99	4.16	+20.0
Land Reserve at year end ⁵	37.27	42.55	-12.4

Notes: ¹ Representing the Group together with its associates and joint ventures (collectively referred to as the "Group Series of Companies")

² Representing profit attributable to shareholders of the Company, adjusted by excluding the effects such as net foreign exchange gains and losses and investment properties revaluation gains (net of tax and non-controlling interests), and adding back realised after-tax revaluation gains on investment properties disposed of during the year

³ Calculated based on the net debt divided by total equity (including non-controlling interests)

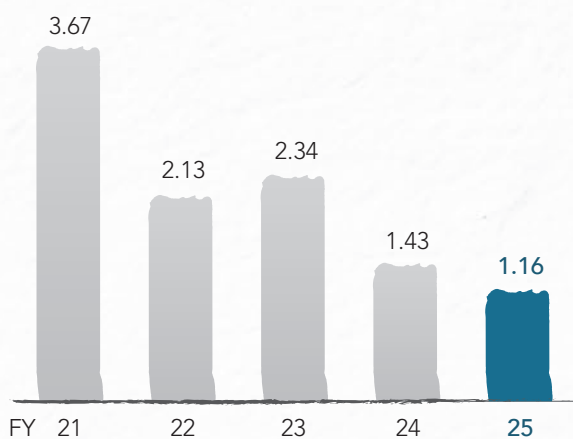
⁴ Change in percentage points

⁵ Representing year end figures of the Group Series of Companies

Financial Highlights (continued)

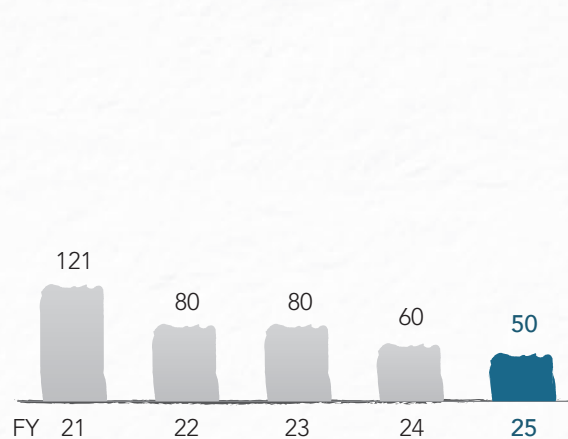
BASIC EARNINGS PER SHARE

RMB



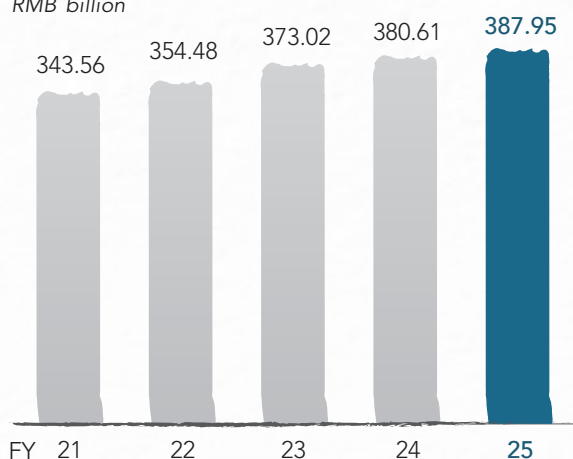
DIVIDENDS PER SHARE

HK cents



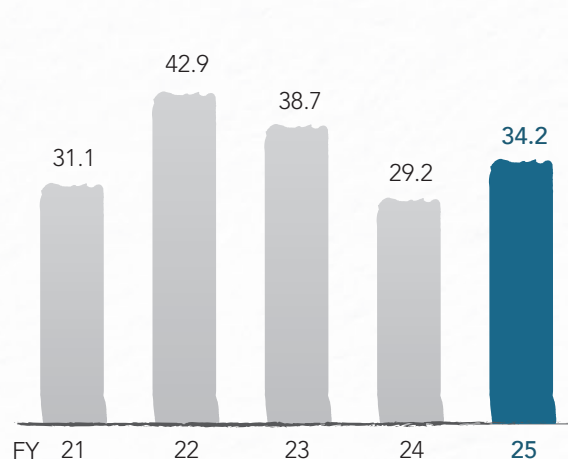
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

RMB billion



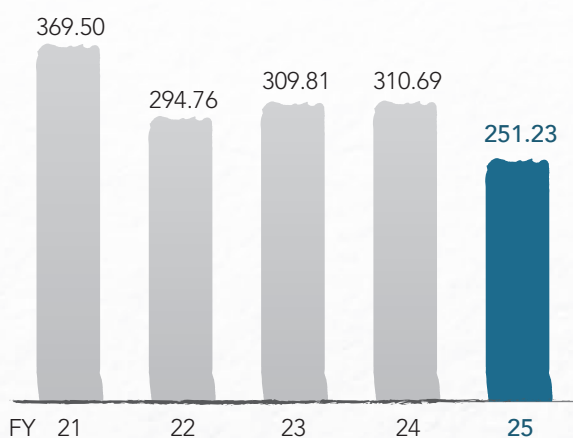
NET GEARING

%



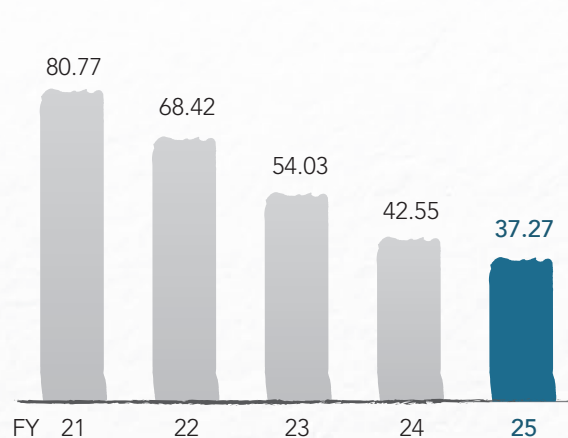
CONTRACTED PROPERTY SALES AMOUNT*

RMB billion



LAND RESERVE*

Total GFA, million sq m



* Representing the Group Series of Companies

Five-Year Financial Summary

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	168,088,765	185,154,027	202,524,069	180,321,569	242,240,783
Operating profit	20,814,768	26,693,998	40,525,473	34,882,261	60,309,732
Profit attributable to shareholders of the Company	12,691,186	15,635,658	25,609,837	23,264,747	40,155,361

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	7,138,182	7,300,730	6,903,790	7,085,545	5,524,471
Investment properties	205,836,298	208,399,049	207,746,168	190,226,516	166,204,097
Interests in associates and joint ventures	49,389,166	45,897,078	46,302,163	43,410,294	40,570,834
Other non-current assets	7,709,706	7,853,569	8,000,071	8,132,098	8,650,492
Stock of properties and other inventories	490,999,739	454,274,446	487,640,804	488,812,985	450,620,363
Bank balances and cash	103,627,513	124,168,228	105,629,033	110,306,115	130,956,191
Other current assets	50,996,737	60,741,281	61,382,062	65,280,579	67,380,250
Total assets	915,697,341	908,634,381	923,604,091	913,254,132	869,906,698
Bank loans	(172,920,613)	(166,156,996)	(165,297,894)	(165,552,630)	(162,311,684)
Guaranteed notes and corporate bonds	(74,454,821)	(75,406,982)	(92,366,242)	(104,832,616)	(79,610,610)
Other liabilities	(248,422,745)	(265,240,405)	(273,028,247)	(269,771,061)	(270,878,050)
Total liabilities	(495,798,179)	(506,804,383)	(530,692,383)	(540,156,307)	(512,800,344)
Net assets	419,899,162	401,829,998	392,911,708	373,097,825	357,106,354
Equity attributable to shareholders of the Company	387,947,786	380,610,977	373,017,828	354,479,708	343,560,175
Non-controlling interests	31,951,376	21,219,021	19,893,880	18,618,117	13,546,179
Total Equity	419,899,162	401,829,998	392,911,708	373,097,825	357,106,354
Net Debt	143,747,921	117,395,750	152,035,103	160,079,131	110,966,103

KEY FINANCIAL INFORMATION AND RATIOS

Financial year	2025	2024	2023	2022	2021
Basic earnings per share (RMB)	1.16	1.43	2.34	2.13	3.67
Dividends per share (HK cents)	50	60	80	80	121
Interest coverage ratio (times)	2.8	2.8	3.9	3.3	7.2
Operating profit — Total interest income					
Interest expenses ¹					
Net gearing (%)	34.2	29.2	38.7	42.9	31.1

¹ Before capitalisation and excluding interest on amounts due to fellow subsidiaries and a related company, associates, joint ventures and non-controlling shareholders

2025 Business Milestones

18 March

The Group acquired a land parcel in Shucun, Haidian District, Beijing for RMB7.5 billion. On 28 March, it acquired another land parcel in Shangcheng District, Hangzhou for RMB8.08 billion. On 24 July, it acquired two land parcels in Dong Siwen Li, Jing'an District and Zhenru, Putuo District, Shanghai for a total of RMB11.89 billion. On 5 September, through the Shanghai United Assets and Equity Exchange, the Group together with China Merchants Shekou Industrial Zone Holdings Co., Ltd. and China Tourism Group Corporation Limited jointly acquired 90% of equity interest in companies holding Shanghai Xuhui Dong'an urban renewal project, for a total consideration of RMB15.48 billion and obtained the development rights for the land.



20 March

During the "2025 China's Top 100 Enterprises Research Result Announcement" in Beijing, hosted by the China Enterprise Evaluation Association, the Institute of Real Estate Studies at Tsinghua University, and the Beijing China Index Academy, the Group was recognised as one of China's Top 100 Real Estate Enterprises in 2025. In particular, the Group ranked first in four categories: "Top 10 in Stability", "Top 10 in Operational Efficiency", "Outstanding Enterprise in High-Quality Development" and "Outstanding Enterprise in Operational Safety".

11 April

On 11 April and 28 April, the Group issued a total of RMB2 billion in 10-year medium-term notes and corporate bonds, representing the industry's largest domestic issuance through the year. On 22 August, the Group issued RMB500 million of 15-year medium-term notes with an interest rate as low as 2.5%, marking the industry's first 15-year bond issued in the domestic market. During the year, the Group successfully issued a total of RMB11.8 billion low-interest bonds.

29 April

At the launch event for China State Construction's Good Houses Construction System, the Group released the "China Overseas Good House Living OS System", to fully address the four key features of Good Houses – "safety, comfort, green and smart". Through 16 major product systems, it addresses 24 customer expectations and 172 comprehensive customer requirements, setting a benchmark for industry standards for "Good Houses" and contributing to the establishment to a new model of property development.



2025 Business Milestones (continued)

25 May

The Group's China Overseas (Beijing) Daji Xiang commercial complex celebrated its grand opening, drawing over 200,000 visitors on its opening day. With its unique courtyard-style street layout, rich historical and cultural heritage, and vibrant mix of commercial, cultural and tourism offerings, it has emerged as a new landmark within Beijing's Second Ring Road that combines historical depth with modern vitality.



3 June



The results of Internationally Recognised Extel (formerly known as *Institutional Investor*) 2025 All-Asia (ex-Japan) Executive Team Survey were announced. The Group was ranked first as the “Most Honored Company” in Asia’s property industry for the first time, in recognition of its outstanding corporate management and investor relations performance. In particular, the Group was ranked first in five assessment categories in the industry for the first time, including “Best CEO”, “Best CFO”, “Best ESG”, “Best IR Program” and “Best IR Team”.

30 June

According to the latest ESG evaluation by the London Stock Exchange Group, the Group was ranked first among 532 property companies worldwide. On 8 September, Hang Seng Indexes Company Limited announced its 2025 Sustainability Ratings of listed companies and the Group’s ESG rating was upgraded from A+ to AA-. It remained a constituent stock of the Hang Seng Corporate Sustainability Index, the only Chinese property developer included in the index.



1 July

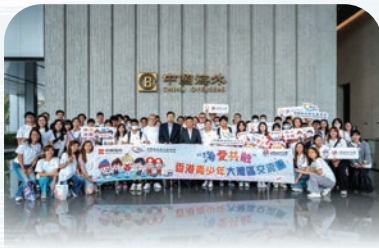
The Hong Kong Special Administrative Region (the “HKSAR”) Government published the 2025 Honors and Awards list. Mr. Yan Jianguo, the Chairman and Executive Director of the Group, was awarded the Bronze Bauhinia Star in recognition of the Group’s and his own significant contributions to Hong Kong society over the years.



2025 Business Milestones (continued)

18 July

At the 2025 China (Shenzhen) Unicorn Enterprise Conference, Shenzhen Haizhichuang Technology Co., Ltd (“Shenzhen Haizhichuang”), a subsidiary of the Group and a leading smart property technology enterprise, was named a Gazelle Enterprise, in recognition of its exceptional technological innovation capabilities, remarkable growth and market performance. Shenzhen Haizhichuang is now one of 215 Gazelle Enterprises in Shenzhen, and is the youngest recipient of this honour.



31 July

The Group actively responded to the HKSAR Government’s “Strive and Rise Programme” by organising the “Embracing Inclusivity” Hong Kong Youth Greater Bay Area Exchange Tour. Nearly 80 participants, including students and mentors, visited the Chinese mainland to learn about the Group’s innovative zero-carbon construction practices and the development of “Good Houses”.

5 August

Two standards developed under Group leadership for the China Association of Building Energy Efficiency were officially released, namely the “Evaluation Standard for Zero-Carbon Office Buildings” and the “Standard for Carbon Emission Calculation and Accounting in Office Buildings”. Together with the “Technical Specification for Low-Carbon Office Buildings” of the China Association for Engineering Construction Standardization, which came into effect on 1 January 2025, the Group has established a comprehensive zero-carbon office building standard covering the entire “technology-evaluation-verification” chain for the first time. This initiative fills a significant industry gap by providing a scientific basis for implementation of the dual-carbon strategy in the office building sector.

5 September

The “China Overseas Xin Hua Pearl Class” for the 2025 school year at Zhouqu Middle School in Lanzhou New District, sponsored by the Group, in collaboration with Xin Hua Education Foundation and others, was inaugurated. The initiative aims to assist students who are doing well in school but whose families have financial difficulties, helping them complete their high school education. All “Pearl Students” of Class 2022 sponsored by the Group were admitted to undergraduate programmes in 2025.



2025 Business Milestones (continued)

17 September

The Group ranked first in the “2025 Best 10 of China Real Estate Developers Brand Value”, an award under the auspices of the China Real Estate Association and conferred by Shanghai EJU Real Estate Research Institute, leveraging its outstanding corporate governance capabilities, solid financial strength, and leading brand competitiveness. Based on its leading product delivery capabilities and strong customer reputation, the Group was awarded “2025 H1 TOP 1 in Brand Influence of Delivery among China’s Real Estate Enterprises” by CRIC (克而瑞).

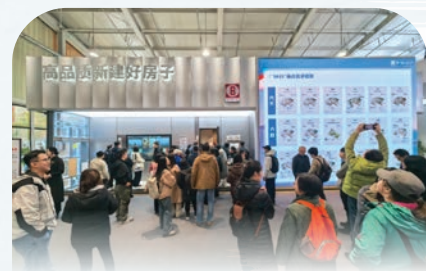


31 October

The Group’s first consumption infrastructure REIT – CAMC China Overseas Commercial Assets Closed-end Infrastructure Securities Investment Fund (180607.SZ) – was listed on the Shenzhen Stock Exchange marking the first consumption REIT implemented through an “acquisition-renovation-enhancement-revitalisation” model in the Chinese mainland.

7 November

The Good Houses Technology Exhibition, themed “Building Good Houses through Technology; Upgrading Industry for New Development”, was launched in Beijing. It was jointly organised by the Technology and Industrialization Development Center of the Ministry of Housing and Urban-Rural Development in collaboration with more than 20 state-owned enterprises, research institutes and leading private enterprises. As a pioneering state-owned enterprise implementing the “Good Houses” initiative, the Group unveiled its “Newly-Build Good Houses” at the exhibition.



2025 Business Milestones (continued)

27 November



Mr. Yan Jianguo, Chairman and Executive Director of the Group, and Mr. Zhang Zhichao, Executive Director and Chief Executive Officer, were honoured with the Hong Kong Institute of Directors “Social Impact Award 2025” and “Directors of the Year Award 2025” (Listed Companies Executive Directors category) respectively. The Group was the only listed company to have two of its executive directors receive the award this year.

30 November

Shenzhen One Bay Park, a project jointly developed by the Group and a third party in the Houhai core area of Shenzhen Bay, was launched for sale. It achieved outstanding first-day sales of RMB13 billion, a national record for debut sales of a single residential project in 2025.



11 December



The Group was recognised with both the “Award of Excellence in Corporate Governance” and the “Award of Excellence in ESG” in the Hang Seng Index Constituent Companies category at the 2025 “Hong Kong Corporate Governance and ESG Excellence Awards,” jointly presented by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy at Hong Kong Baptist University. This marked the first time the Group has achieved this dual honour, and made it the only Chinese property developer among Hang Seng Index constituents to receive these distinguished awards.

31 December

The Group Series of Companies achieved contracted sales of RMB251.23 billion. The Group Series of Companies (excluding COGO) achieved contracted sales of RMB125.44 billion in the five cities, Hong Kong, Beijing, Shanghai, Guangzhou and Shenzhen, of which contracted sales of RMB50.26 billion were achieved in Beijing.



Chairman's Statement



Yan Jianguo
Chairman and Executive Director

Chairman's Statement (continued)

In 2025, the property market continued its downward trend. The Group coordinated development and security, and proactively responded to various difficulties and challenges so as to continue to create value for the shareholders. The audited revenue of the Group for the year ended 31 December 2025 was RMB168.09 billion. Profit attributable to shareholders of the Company was RMB12.69 billion. Core profit attributable to shareholders of the Company was RMB13.01 billion. The Board proposed a final dividend of HK25 cents per share for the year ended 31 December 2025, maintaining a stable dividend payout ratio.

In the adjusted downward property market, the Group Series of Companies achieved contracted sales of RMB251.23 billion. According to data from the China Index Academy, the attributable sales of the Group Series of Companies ranked No.1 in the industry. The Group's twin development strategies have driven industry-leading sales performance. Under the first, while the Group has focused strongly on first-tier cities, which offer greater security and certainty, it has at the same time seized structural opportunities in other key cities. The Group Series of Companies (excluding COGO) achieved contracted sales of RMB125.44 billion in the five cities, Hong Kong, Beijing, Shanghai, Guangzhou and Shenzhen, accounting for 57.3% of the contracted sales of the Group Series of Companies (excluding COGO). The Group Series of Companies ranked first by sales in 15 cities in the local market, including Beijing, Shenzhen, Tianjin and Jinan. Of this, contracted sales of RMB50.26 billion were achieved in Beijing and contracted sales of RMB22.23 billion were achieved in Hong Kong, ranking fifth by sales in the Hong Kong market for the first time. Through the second strategy, the Group has steadily focused on enhancing market share through "Good Products, Good Services". Shenzhen One Bay Park achieved first-day sales of more than ten billion, a national record for debut sales of a single residential project this year. The Group released "China Overseas Good House Living OS system", now a recognised industry standard. The first batch projects of "China Overseas Good Houses", including Beijing Corniche and Shanghai Arise, were launched and achieved strong sales despite market headwinds. Meanwhile, the Group Series of Companies delivered 46,000 units of high-quality housing, maintaining customer satisfaction at industry benchmark levels.

The Group's revenue from commercial properties was RMB7.2 billion, and it launched six new commercial properties, increasing total GFA of commercial property in operation by 280,000 sq m. Among them, China Overseas (Beijing) Daji Xiang commercial complex emerged as a new leisure and consumption landmark within Beijing's Second Ring Road. The CAMC China Overseas Commercial Assets Closed-end Infrastructure Securities Investment Fund "China Overseas Commercial REIT" (180607.SZ) was successfully listed on the Shenzhen Stock Exchange, marking the first consumption REIT implemented through an "acquisition-renovation-enhancement-revitalisation" model in the Chinese mainland.

The Group maintained its leading position in sustainable investment capacity, through industry-leading sales and cash collection. The Group acquired 35 land parcels in 15 Chinese mainland cities and Hong Kong, with a total land premium of RMB118.69 billion and attributable land premium of RMB92.42 billion, retaining first place in the industry for newly acquired land premium, and maintained ample saleable resources. The attributable land premium in the five cities, Hong Kong, Beijing, Shanghai, Guangzhou and Shenzhen accounted for 73.9% of the total attributable land premium of the Group, highlighting the advantageous position of its premium property portfolio.

Chairman's Statement (continued)

The Group sustained its financial soundness while leading the industry in newly acquired land premium. At 31 December 2025, the Group's liability-to-asset ratio was 54.1% and net gearing was 34.2%. Operating net cash inflow was RMB16.73 billion. During the year, the average borrowing cost decreased to 2.8%, total interest expenses decreased by RMB2.04 billion and revenue from commercial properties fully covered total interest expenses for the first time. The Group once again maintained its leading credit ratings in the industry and remains the only listed Chinese property developer to receive an A-rating from two of the three major international rating agencies — S&P Global, Moody's and Fitch, reflecting international rating agencies' strong recognition of the Group's steady and sustainable development prospects.

Although the property market is still adjusting, looking ahead, the Group is confident that "three driving forces" will underpin stabilisation of the property market and that the Group will achieve sustainable, high-quality development.

First, the driving force of steady macroeconomic growth — In 2026, China's economy is continuing its trajectory of stable development, with sustained growth momentum setting a solid foundation for the property market. Steady GDP growth, together with rising household disposable income, effectively boosts confidence in housing consumption, unlocks reasonable property demand, and eases market wait-and-see sentiment, providing momentum for the stable development of the property market.

Second, the driving force of policy support and improvement in supply-demand relationship — Targeted property market policies continue to be implemented. Since late 2025, Beijing and Shanghai have in turn relaxed property purchase restrictions. Policies such as reducing or waiving value-added tax on second-hand property transactions, raising upper limits on housing provident fund loans, and offering home purchase subsidies in various regions, are helping to further unlock housing demand and boost sales. As adapting to the demand for better housing becomes the dominant trend in the market, a number of favourable factors such as increasing the supply of high-quality land in prime locations in various regions, the acceleration of the renovation of urban village and dilapidated housing, and ongoing advancement of "Good Houses" initiatives, have effectively unleashed demand for better housing. The relevant policy issued by Ministry of Natural Resources in early March 2026 states clearly that, as a general rule, newly allocated construction land shall not be used for commercial property development. This policy will play a constructive role in controlling new supply, reducing housing inventory and improving supply. As supply-and-demand relationship in the domestic market continue to improve, and the market's self-restoration capacity strengthens, the property market will be driven to stem the downturn and restore stability.

Third, the Group's balanced endogenous driving force, combining growth with resilience — Amid adjustment in the industry, the Group is financially sound and well-funded, with excellent asset quality, it maintains a balanced development strategy that combines growth with resilience, as its comparative advantages become increasingly evident. The Group's large-scale projects in prime locations across Beijing, Shanghai, Shenzhen and other cities will continue to deliver sales and profits. As supply-demand relationship continue to improve, the Group is confident of capturing structural opportunities across more cities. The Hong Kong market has stabilised and is expected to continue to bounce back. The Group will seize the opportunity to step up both sales and investment efforts, and is confident of achieving record-high sales in the Hong Kong market. The Group will continue to enhance the operational capabilities and effectiveness of its commercial operations. Building on the successful listing of its first commercial public REIT, the Group will actively establish new REITs platform through the continuous injection of mature assets. This will further unlock asset value and drive the Group's sustainable, high-quality development.

Chairman's Statement (continued)

The year 2026 marks the start of the 15th Five-Year Plan and also the 48th year of the Group's operations and development. Having weathered many economic cycles and fluctuations in the property market, the Group stood firm as an industry leader. Looking ahead to the 15th Five-Year Plan period, the Group will continue to adhere to its core value of "Customer-oriented, Quality Assurance, and Value Creation" and uphold its business philosophy of "Good Products, Good Services, Good Effectiveness and Good Citizen", firmly focus on property development and operations. By strengthening its dual-engine approach of residential development and commercial operations, the Group will reinforce its leadership role in China's property industry, striving to become a world-class enterprise, and make unremitting efforts towards in building a centennial enterprise.

Finally, I would like to take this opportunity to express my sincere gratitude to our domestic and overseas customers, the shareholders and the whole community for their support and trust. I would also like to express my heartfelt gratitude to my fellow directors and all employees for their dedication and determination to pursue excellence.

China Overseas Land & Investment Limited

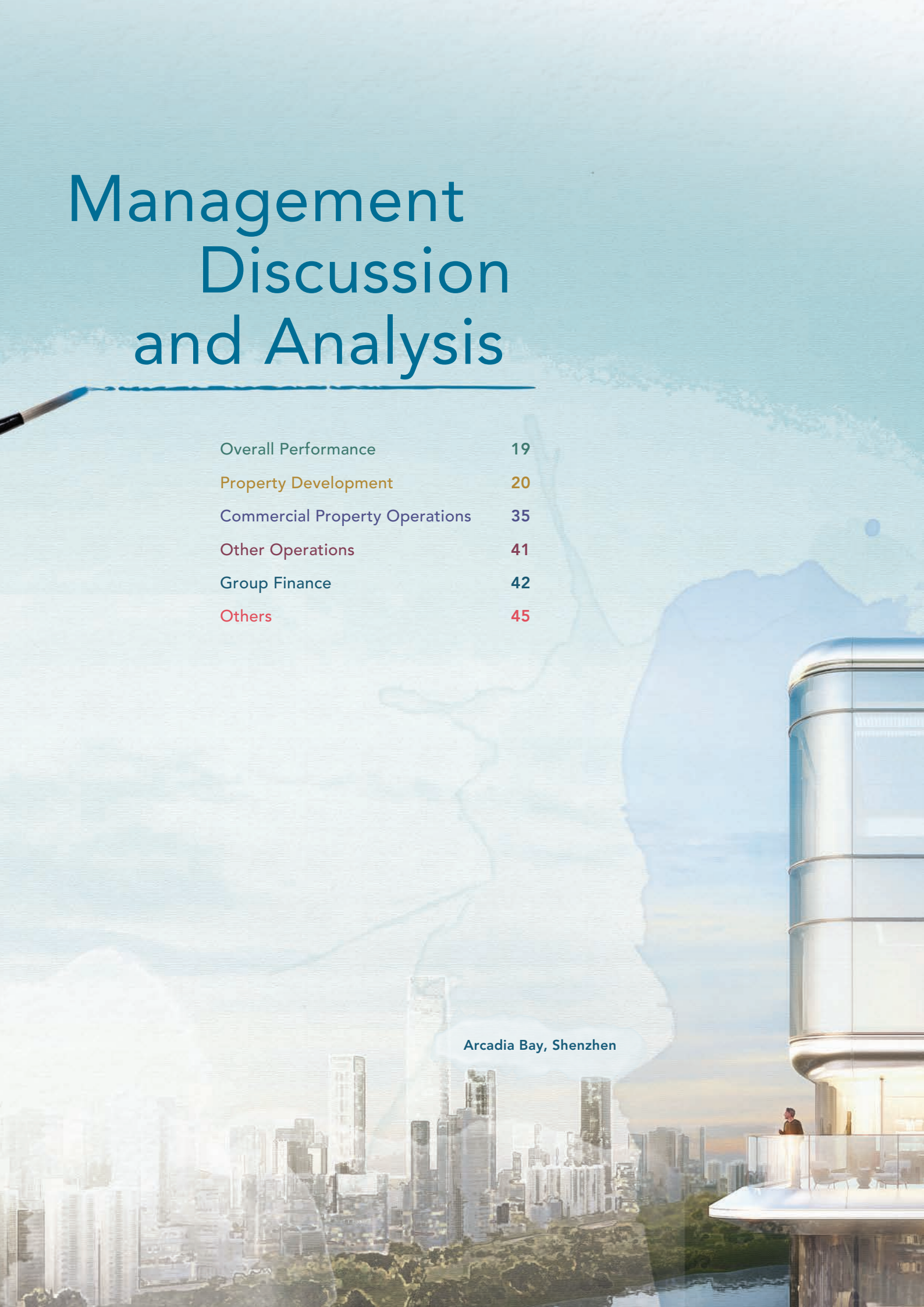
Yan Jianguo

Chairman and Executive Director

Management Discussion and Analysis

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Arcadia Bay, Shenzhen



The background of the page is a photograph of a modern, multi-story building with prominent curved glass facades. The building's interior is visible through the glass, showing a bright, open-plan living area with a white sofa and a spiral staircase. The sky is a clear, light blue, and the overall aesthetic is clean and professional. The text is overlaid on a white, torn-paper-like shape in the upper right quadrant.

OVERALL PERFORMANCE

In 2025, the revenue of the Group was RMB168.09 billion, the operating profit was RMB20.81 billion, the gross profit margin was 15.5%, the ratio of selling, distribution and administrative expenses to revenue was 4%. Profit attributable to shareholders of the Company was RMB12.69 billion. Core profit attributable to shareholders of the Company was RMB13.01 billion. Basic earnings per share was RMB1.16.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT

In 2025, the Group's revenue and segment results from property development were RMB156.77 billion and RMB16.05 billion respectively.

In 2025, the Group's revenue of property development by region were as follows:

	2025 RMB billion	2024 RMB billion
Southern Region	36.97	46.54
Eastern Region	45.69	33.64
Central and Western Region	17.96	35.38
Northern Region	55.19	54.62
Hong Kong, Macau and Overseas Region	0.96	4.54
Total	156.77	174.72

During the year, the property market in Chinese mainland continued its downward trend, the Group's revenue of property development decrease by 10.3% year-on-year.

During the year, the net profit contribution to the Group from associates and joint ventures amounted to RMB0.52 billion.

The major associate, COGO, achieved contracted property sales of RMB32.19 billion, revenue of RMB36.87 billion, and profit attributable to shareholders of RMB0.3 billion.

In 2025, the contracted property sales of the Group Series of Companies was RMB251.23 billion and the corresponding sales area was 10.56 million sq m.

During the year, the Group Series of Companies' contracted property sales and the corresponding sales area by region were as follows:

	Contracted property sales RMB billion	Proportion %	Sales area '000 sq m	Proportion %
Southern Region	48.33	19.2	1,370	13.0
Eastern Region	36.70	14.6	1,484	14.0
Central and Western Region	20.34	8.1	1,350	12.8
Northern Region	69.59	27.7	2,443	23.1
Hong Kong, Macau and Overseas Region	2.28	0.9	19	0.2
Sub-total for the Company and its subsidiaries (the Group)	177.24	70.5	6,666	63.1
Joint ventures and associates of the Group (excluding COGO)	41.80	16.7	957	9.1
China Overseas Grand Oceans Group Limited ("COGO")	32.19	12.8	2,938	27.8
Total	251.23	100	10,561	100

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

The Group adheres to cash flow management as its core focus, enhancing sales proceeds collection. In 2025, four first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen each had sales proceeds collection exceeding RMB10 billion. Among these, sales proceeds collection in Beijing, Shanghai and Shenzhen each exceeded RMB30 billion, RMB20 billion and RMB20 billion respectively.

During the year, the Group Series of Companies (excluding COGO) completed projects with a total GFA of 8.48 million sq m in 31 Chinese mainland cities and Hong Kong.

The area of projects completed by region in 2025 were as below:

City	Total GFA '000 sq m	City	Total GFA '000 sq m
Southern Region		Central and Western Region	
Guangzhou	611	Taiyuan	424
Shenzhen	569	Xi'an	237
Changsha	450	Chongqing	190
Xiamen	193	Zhengzhou	171
Foshan	155	Chengdu	95
Haikou, Wanning	154	Wuhan	89
Zhuhai	127	Guiyang	80
Fuzhou	92	Sub-total	1,286
Nanchang	58		
Sub-total	2,409	Northern Region	
Eastern Region		Beijing	866
Qingdao	764	Tianjin	445
Jinan	532	Shenyang	309
Suzhou	437	Changchun	257
Hangzhou	242	Dalian	224
Ningbo	187	Shijiazhuang	69
Shanghai, Jiaxing	125	Sub-total	2,170
Nanjing	29		
Sub-total	2,316	Hong Kong, Macau and Overseas Region	
		Hong Kong	301
		Sub-total	301
		Total	8,482

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

The Group maintained its disciplined investment, focused on selecting quality assets in higher-tier cities and executing targeted investments. Meanwhile, it intensified land investment in the non-public market by proactively seeking out opportunities, conducting extensive analysis, and engaging with high-level coordination. By leveraging diversified development models, the Group enriched its project acquisition channels to optimise the Group's investment presence.

During the year, the Group acquired 17 high-quality land parcels in the five cities, Hong Kong, Beijing, Shanghai, Guangzhou and Shenzhen. The attributable land premium was RMB68.29 billion, accounting for 73.9% of the total attributable land premium of the Group. This continued to strengthen the scale of the Group's investment in first-tier cities, highlighting the advantageous position of its premium property portfolio.

In 2025, the Group acquired 18 land parcels at reserve price or with minimal premium, with a total land premium of RMB65.56 billion, accounting for 55.2% of the Group's total land premium. The Group fully utilised its comparative advantages in high value projects and actively acquired large-scale projects in higher-tier cities. During the year, the Group completed the acquisition of 50.5% equity interest in and certain shareholders' loan advanced to 上海新東安企業發展有限公司 ("Shanghai Xin Dong'an"). Shanghai Xin Dong'an primarily holds the Dong'an large-scale project in Xuhui District, Shanghai. This project is the largest single-plot urban renewal project in Shanghai's history. The total consideration for the acquisition was adjusted to RMB7.87 billion as a result of an increase in the shareholders' loan acquired on completion. A gain on bargain purchase of a subsidiary of RMB0.63 billion was recognised in the consolidated income statement during the year. (See Note 30 on page 205 of this Annual Report)

During the year, the Group acquired 35 land parcels in 15 Chinese mainland cities and Hong Kong, adding a total GFA of 4.99 million sq m to the land reserve and attributable GFA of 4.45 million sq m. The total land premium was RMB118.69 billion and attributable land premium was RMB92.42 billion.

The land parcels added in 2025 were as below:

City	Name of Development Project	Attributable		Land Area '000 sq m	Total GFA '000 sq m
		Interest %			
Beijing	Fengtai District Project	100		27	101
Shenzhen	Longgang District Project	100		21	155
Zhengzhou	Jinshui District Project	100		32	108
Beijing	Changping District Project	80		34	73
Shenyang	Hunnan District Project 1	100		81	152
Beijing	Haidian District Project	100		40	119
Xiamen	Tong'an District Project	100		17	53
Jinan	Lixia District Project 1	100		61	223
Hangzhou	Shangcheng District Project	100		56	297
Hong Kong	Mongkok District Project	100		2	25
Changchun	High-tech Industrial Development Zone Project	100		13	31
Shenyang	Hunnan District Project 2	100		103	250
Beijing	Shijingshan District Project	100		80	238
Qingdao	Huangdao District Project	100		51	157
Tianjin	Hexi District Project 1	100		49	148
Jinan	Lixia District Project 2	100		74	396

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

City	Name of Development Project	Attributable Interest %	Land Area '000 sq m	Total GFA '000 sq m
Tianjin	Hexi District Project 2	100	17	56
Shenzhen	Longhua District Project	100	22	90
Jinan	Licheng District Project 1	100	22	71
Jinan	Licheng District Project 2	100	27	89
Shanghai	Putuo District Project	100	47	166
Shanghai	Jing'an District Project	100	17	95
Shanghai	Xuhui District Project 1	50.5	104	694
Shanghai	Xuhui District Project 2	30.5	30	121
Qingdao	Shibei District Project	100	26	95
Shenyang	Huanggu District Project	100	26	72
Guangzhou	Haizhu District Project	100	34	95
Shanghai	Xuhui District Project 3	100	20	58
Shijiazhuang	Yuhua District Project	100	89	242
Shanghai	Yangpu District Project	100	14	52
Beijing	Tongzhou District Project 1	100	25	86
Chengdu	Wuhou District Project	100	18	66
Changsha	Tianxin District Project	100	28	104
Shenzhen	Nanshan District Project	100	12	76
Beijing	Tongzhou District Project 2	25	35	133
Total			1,354	4,987

At 31 December 2025, the Group Series of Companies (excluding COGO) had a total land reserve of 25.28 million sq m in GFA and attributable GFA of 22.86 million sq m.

During the year, total GFA of land acquired by COGO was 2.93 million sq m. At 31 December 2025, total GFA of COGO's land reserve was 11.99 million sq m and attributable GFA of 10.26 million sq m.

The total GFA of the Group Series of Companies' land reserve was 37.27 million sq m.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

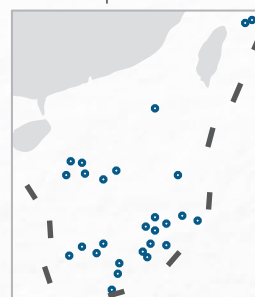
Land Reserve Distribution*

Total Land Reserve Summary

	City	Total GFA '000 sq m
Southern Region	Guangzhou, Foshan, Zhaoqing	1,780
	Shenzhen	1,300
	Zhuhai, Haikou, Wanning	630
	Changsha	400
	Fuzhou, Xiamen	350
	Sub-total	4,460
Eastern Region	Shanghai	2,660
	Jinan, Qingdao	2,110
	Suzhou, Wuxi	760
	Hangzhou	440
	Nanjing	370
	Ningbo	180
Sub-total	6,520	
Central and Western Region	Chongqing, Guiyang	2,390
	Wuhan	1,510
	Chengdu	1,090
	Xi'an	760
	Taiyuan, Zhengzhou	690
Sub-total	6,440	
Northern Region	Beijing	2,850
	Tianjin, Shijiazhuang	2,290
	Shenyang, Dalian	1,750
	Changchun, Harbin	690
Sub-total	7,580	
Hong Kong, Macau and Overseas Region	Hong Kong	280
	Sub-total	280
Total		25,280

* Representing the Group Series of Companies (excluding COGO)

Sketch map of coastline



Management Discussion and Analysis (continued)

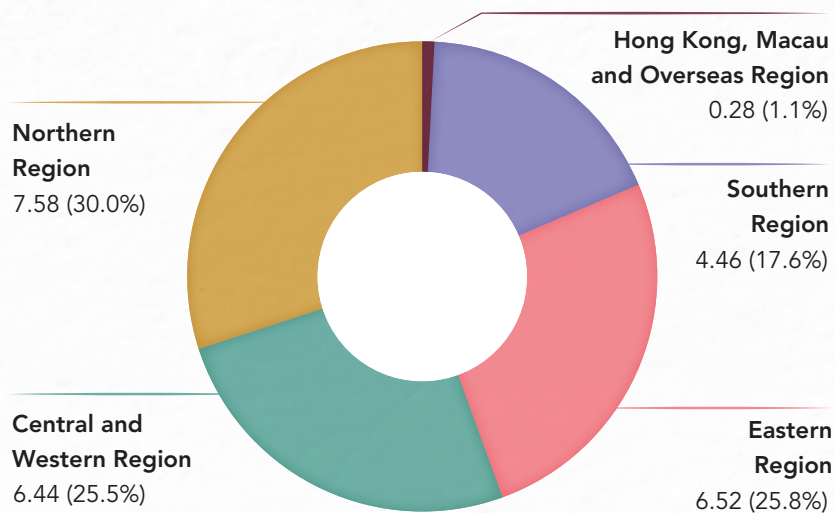


Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Breakdown of Land Reserve by Region*

Total GFA, million sq m



* Representing the Group Series of Companies (excluding COGO)

The Group consistently focuses on enhancing market share through "Good Products and Good Services" to achieve "Good Effectiveness". The Group's good products are centred on meeting customer expectations, to provide a lifestyle experience of "high-performance perceptibility + good-service connectivity". This is achieved through good design, good construction, good materials, and good operations and maintenance, to deliver lifestyle values of safety, comfort, green and smart.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Property development projects of the Group Series of Companies (excluding COGO) are mainly located in first-tier and second-tier cities in Chinese mainland. Projects that are worth noticing in terms of scale of current or future sales will be introduced below. Details are as follows:

Project Introduction



ONE BAY PARK, SHENZHEN (50%-OWNED)

Location:	Project total GFA:
Nanshan District, Shenzhen	384,396 sq m
Project site area:	Intended use:
38,567 sq m	Residential/Commercial

One Bay Park is located in the core area of the Houhai Central District in Shenzhen, close to the Dengliang Station on Line 2 of Shenzhen Metro, enjoying the easy access to the top-tier amenities, such as the Shenzhen Bay Sports Center, Shenzhen Talent Park, and Shenzhen Bay Culture Square. The project features a diverse mix of offerings with a focus of high-end residential needs, including 180,000 sq m of residential buildings, 70,000 sq m of serviced apartments, and 10,000 sq m of commercial amenities, a typical representation of super-high-rise luxury residences in Shenzhen Bay. The project is planned to build four super high-rise residential buildings and one apartment, along with a kindergarten and wellness facilities. It also features an innovative sky corridor directing to the Shenzhen Talent Park, connecting seamlessly between “housing + leisure”. The project started construction in June 2025 and was launched for sale in November 2025. Up to the end of December 2025, the accumulated contracted property sales was RMB13.25 billion. The project is expected to be completed in 2028.



ORIENTAL HEARTLAND, SHENZHEN (100%-OWNED)

Location:	Project total GFA:
Longgang District, Shenzhen	156,166 sq m
Project site area:	Intended use:
20,839 sq m	Residential/Commercial

Oriental Heartland is located in the Shenzhen Universiade Center area of the Longgang District, Shenzhen. It is just 1.4 kilometers from the Universiade Center Station of Line 16 of Shenzhen Metro. The project is well-facilitated with education institutions such as CUHK-Shenzhen Daoyuan School, medical facilities such as Shenzhen Hospital, Beijing University of Chinese Medicine (Longgang) and Longgang District People’s Hospital of Shenzhen, as well as recreational and leisure facilities such as Shenzhen Universiade Center, which includes facilities such as stadium, gymnasium, and swimming pool. The project plans to build four high-rise residential buildings with 605 units and 17 commercial shops, comprising flats of 126/137/143/197/282 sq m, the project also includes facilities such as a clubhouse and reading corner. The project started construction in April 2025 and was launched for sale in October 2025. Up to the end of December 2025, the accumulated contracted property sales was RMB2.09 billion. The project is expected to be completed in 2027.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Project Introduction *(continued)*



MOUNTARISE, SHENZHEN (100%-OWNED)

Location:	Project total GFA:
Longhua District, Shenzhen	91,990 sq m
Project site area:	Intended use:
21,821 sq m	Residential/Commercial

Mountarise is located in the Shenzhen North Station sector of Longhua District, Shenzhen, close to the two core districts of Futian and Nanshan. It is located adjacent to Meilin Mountain and Yinhu Mountain, the largest mountain green belt in the city center. Sitting right next to Baishilong Music Park, it enjoys direct south-facing views of Meilin Mountain Park. With the rich in mountain scenery and wide view sight, the project stands as a rare low-density mountain view site within the city centre in Shenzhen. The project enjoys convenient transportation, with Minle Station and Baishilong Station on Line 4, and Meilinguan Station on Line 6 nearby. Prestigious schools, such as Shuxiang Primary School and Shenzhen Foreign Languages School (Longhua) are in the same area. Various commercial landmarks including Shanghefang Shopping Paradise, Shenzhen Longhua Xinghe Coco City and Shenzhen O Park are within a one-kilometer radius, offering a convenient living style. The project plans to build five high-rise residential buildings with 490 units, featuring flats of 108/128/143 sq m, complement with childcare facilities. The project started construction in December 2025 and is expected to be completed in 2027.



AUREUM, HAIKOU (100%-OWNED)

Location:	Project total GFA:
Longhua District, Haikou	145,385 sq m
Project site area:	Intended use:
68,973 sq m	Residential/Commercial

Aureum is located on Zijing Road in the Longhua District, within the core residential area of Haikou, connecting Binhai Avenue to the south and the Haikou Bay coastline to the north, along with a 20-kilometer leisure sidewalk. It is surrounded by well-established amenities, adjacent to some large commercial complexes. Schools like Haikou Binhai No. 9 Primary School and Haikou Middle School and medical resources including Hainan General Hospital and the First Affiliated Hospital of Hainan Medical University are nearby. The project comprises two phases: phase one offers six low-rise buildings with a total of 168 units, featuring flats of 168 and 285 sq m; phase two provides eight high-rise buildings with a total of 506 units, offering flats ranging from 168 to 325 sq m. The project is facilitated with a sunken clubhouse and an upper clubhouse totaling approximately 2,800 sq m. It also includes eight themed elevated decks and a swimming pool of approximately 1,000 sq m. The project started construction in November 2024 and was launched for sale in September 2025. Up to the end of December 2025, the accumulated contracted property sales was RMB2.32 billion. The project is expected to be completed in 2026.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Project Introduction *(continued)*



ARISE, SHANGHAI (100%-OWNED)

Location:
Yangpu District,
Shanghai

Project total GFA:
155,649 sq m

Project site area:
40,208 sq m

Intended use:
Residential/Commercial

Arise is located in the Yangpu Riverside, inner-middle ring area of the East Bund, Shanghai. It was situated in the prime Yangpu Riverside living zone. The project lies just 450 meters north of Longchang Road Station on Metro Line 12, and about 500 meters north of the Huangpu River, with a hospital to the west. Yangpu District is part of Shanghai's prime urban planning zone and is currently undergoing full development, with the upcoming completions of Meituan Shanghai Technology Center, the Bilibili global headquarters and the Hopson Riviera. Once completed, these commercial amenities will be within walking distance. The project is divided into northern and southern zones. The northern zone comprises four high-rise residential buildings, offering a total of 359 units with flats of 104/146/148 sq m and eight stylish villas. The southern zone comprises seven high-rise residential buildings, offering a total of 417 residential units, with flats of 104 and 148 sq m. The southern zone also features an underground commercial space with amenities such as a swimming pool, gym and yoga room, which enhances the quality of life. The project started construction in January 2025 and was launched for sale in April 2025. Up to the end of December 2025, the accumulated contracted property sales was RMB4.8 billion. The project is expected to be completed in 2026.



AURAE, SHANGHAI (100%-OWNED)

Location:
Putuo District,
Shanghai

Project total GFA:
169,234 sq m

Project site area:
47,199 sq m

Intended use:
Residential/Commercial

Aurae is located in the Shanghai Zhenru Urban Sub-Center, and is exceptionally rare large-scale integrated development projects in the middle ring of Shanghai. The project offers seamless connectivity, sitting at the convergence of four Metro lines 7/11/14/20 (under construction). It is only four stations away from Jing'an Temple and provides easy access to core business districts such as West Nanjing Road, People's Square, and Lujiazui. The project is surrounded by comprehensive amenities, with shopping centers including Shanghai Zhenru UniPark Max, Fo Joy Plaza, and Putuo Greenland Being Fun within one-kilometer radius and Grade 3A Tongji Hospital of Tongji University and the High School Attached to Shanghai Normal University which is under construction. The project comprises eight high-rise residential buildings with a total of 631 units, offering flats of 123/135/143/176 sq m, and plans to develop a 2,000 sq m clubhouse. The project started construction in October 2025 and is expected to be completed in 2027.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Project Introduction *(continued)*



INFINITE HORIZONS, HANGZHOU (100%-OWNED)

Location:	Project total GFA:
Binjiang District, Hangzhou	145,515 sq m
Project site area:	Intended use:
30,459 sq m	Residential/Commercial

Infinite Horizons is located in the Binjiang District of Hangzhou, a nationally recognised high-tech industrial development zone, which attracts talents from high-tech enterprises and high-end industries. The project enjoys convenient transportation, with the nearest metro station only 600 meters away, providing access to Metro Lines 1 and 6. The project is surrounded by a variety of amenities with commercial complexes such as Star Avenue, The Starry City, and Xinglanli within the one kilometer radius, schools such as Hangzhou Wentao Primary School and Hang Zhou Wen Tao Middle School of Zhe Jiang Province and medical resources such as The Second Affiliated Hospital of Zhejiang University School of Medicine and Hospital of ZheJiang People's Armed Police. The project plans to construct seven high-rise residential buildings with a total of 244 units, offering flats of 233/260/302/413 sq m. It is equipped with swimming pools, fitness spaces, restaurants and other facilities. The project started construction in July 2025 and is expected to be completed in 2026.



AVERY MANSION, JINAN (100%-OWNED)

Location:	Project total GFA:
Lixia District, Jinan	203,504 sq m
Project site area:	Intended use:
48,099 sq m	Residential

Avery Mansion is located at the intersection of Jiang Shui Quan Road and Heping East Road in Jinan, the core area of Jinan CBD – the west area of Provincial Museum. The project is surrounded by premier urban amenities, such as Shandong Museum, Shandong Art Museum and the Jinan Olympic Sports Center; commercial districts with first-class luxury brands, such as the Jinan MixC and Jinan International Finance Square are within walking distance. Adjacent to three major green spaces: Maoling Mountain, Yanchi Mountain, and Ribbon Park, the project offers exceptional ecological surroundings. It also features the development of an approximately 20,000 sq m Jiuli Park, fostering a tranquil homecoming atmosphere. The project is divided into eastern and western zones. The eastern zone comprises five mid-rise residential buildings with a total of 388 units, offering GFA ranging from 200 to 400 sq m, and is equipped with both a stilt-floor clubhouse and a courtyard clubhouse. The western zone comprises four mid-rise residential buildings with a total of 170 units, offering GFA ranging from 225 to 265 sq m. and is also equipped with a stilt-floor clubhouse. The project started construction in July 2025 and is expected to be completed in 2027.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Project Introduction *(continued)*



CORNICHE, BEIJING (100%-OWNED)

Location:	Project total GFA:
Chaoyang District, Beijing	125,153 sq m
Project site area:	Intended use:
27,910 sq m	Residential

Corniche is located in the Chaoyang District, within the core residential area of Beijing. The project enjoys convenient transportation, with direct access to the fourth ring road within five minutes. It is near Dongfeng Beiqiao Station on Metro Line 14 and Jiangtai West Station on Metro Line 12. Within a one-kilometer radius, the project offers access to leisure and cultural venues such as Chaoyang Park, the Liangma River International Style Waterfront and the 798 Art District. It is adjacent to well-established commercial hubs including Indigo and Solana Lifestyle Shopping Park; as well as high-end medical resources, including the First Hospital of Tsinghua University and Wangjing Hospital of CACMS. The project comprises nine mid-rise residential buildings with a total of 370 units, featuring large-scale layouts from 168 to 372 sq m with ecological art as its design theme. It is equipped with a high-end clubhouse of approximately 3,000 sq m. The project started construction in April 2025 and was launched for sale in May 2025. Up to the end of December 2025, the accumulated contracted property sales was RMB6.38 billion. The project is expected to be completed in 2026.



SPLENDOR MANSION, BEIJING (100%-OWNED)

Location:	Project total GFA:
Fengtai District, Beijing	247,366 sq m
Project site area:	Intended use:
67,672 sq m	Residential

Splendor Mansion is located in the Fengtai District and is adjacent to the Lize Financial Business District, within the core residential area of Beijing. The project enjoys excellent accessibility, being close to Lize Shangwuqu Station (Lines 16/14), and with direct access to Beijing's second and third ring roads within ten minutes. The project is surrounded by well-established amenities. Beijing Lize Paradise Walk and Jinshanglianhe Building are located within a one-kilometer radius. Educational resources, such as Beijing Lize International Academy and Beijing No.12 High School are located within three kilometers. Nearby medical resources included Beijing Tiantan Hospital affiliated with Capital Medical University. The project is planned in two phases: phase one comprises eight buildings with 500 units, while phase two comprises five buildings with 560 units. Both phases comprise mid-rise and high-rise residential units. The project features four-bedroom layouts of 135/160/180/200 sq m. The project would be equipped with a 2,400 sq-meters sunken clubhouse and an approximately 600 sq-meter of stilt-floor clubhouse. The project started construction in March 2025 and was launched for sale in April 2025. Up to the end of December 2025, the accumulated contracted property sales was RMB2.69 billion. The project is expected to be completed in 2027.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Project Introduction *(continued)*



ANLAN BEIJING, BEIJING (100%-OWNED)

Location:

Haidian District,
Beijing

Project total GFA:

130,592 sq m

Project site area:

39,738 sq m

Intended use:

Residential

Anlan Beijing is located at Shangdi Street of Haidian District, positioning it within one of the Beijing's core residential area. The project benefits from strong transport links, with close access to Shangdi Station on Metro Line 13, and with direct access to the fifth ring road within 10 minutes. The surrounding amenities are well-established. Within a one-kilometer radius, there is Beijing Hualian Shangdi Shopping Center as well as Schools including Shangdi Experimental Primary School and Shangdi Experimental School. There are also medical facilities include Beijing Shangdi Hospital and Beijing Shangdi Xinx Road Hospital. The project plans to build 16 low-rise buildings and stacked villas of a total of 278 units, featuring low-rise building of 210/275/310 sq m and stacked villas of 315/365/370 sq m. The project also includes an approximately 3,000 sq m underground clubhouse. It started construction in September 2025 and is expected to be completed in 2026.



VICTORIA VOYAGE, HONG KONG (30%-OWNED)

Location:

Kai Tak,
Hong Kong

Project total GFA:

157,976 sq m

Project site area:

18,353 sq m

Intended use:

Residential/Commercial

Victoria Voyage is located at 18 Shing Fung Road, Kai Tak District, Kowloon, Hong Kong, situated on the Kai Tak Runway, with extensive views of the magnificent scenery on both sides of the harbour. The project is adjacent to a vibrant collection of coastal and urban attractions, including a Metro Park, a water sports hub and a waterfront promenade. The project is developed in four phases, offering 2,060 residential units ranging from one to four bedrooms, with saleable GFA ranging from 290 to 1,908 sq ft. The diverse layouts cater different buyer needs. Superyacht-themed Club Voyage is one of the most impressive residential clubhouses. Together with verdant landscape, the clubhouse encompasses an area of over 120,000 sq ft which offers over 50 recreational facilities. It caters both active and leisure lifestyles, making it ideally suitable for families looking to embrace the coastal lifestyle. The project was completed in March 2025 and was launched for sales in August 2025. Up to the end of December 2025, the accumulated contracted property sales was approximately HKD2.84 billion.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Major Property Development Projects

City	Project	Location	Group's		Site area sq m	Total		Completion year
			interest %	Intended use		GFA sq m	Progress	
Shenzhen	One Bay Park	Nanshan District	50	Residential/Commercial	38,567	384,396	Under construction	2028
Shenzhen	Arcadia Bay	Nanshan District	100	Residential	36,294	292,897	Under construction	2026
Shenzhen	Oriental Heartland	Longgang District	100	Residential/Commercial	20,839	156,166	Under construction	2027
Shenzhen	Renaissance Mansion	Nanshan District	51	Residential	9,007	58,015	Under construction	2026
Shenzhen	Anthe	Nanshan District	100	Residential	11,834	75,624	Under construction	2027
Shenzhen	Mountarise	Longhua District	100	Residential/Commercial	21,821	91,990	Under construction	2027
Guangzhou	One Oasis	Haizhu District	90	Residential	177,193	548,933	Under construction	2026
Guangzhou	Asian Games City	Panyu District	100	Residential/Commercial	2,525,754	5,892,192	Under construction	2027
Haikou	Aureum	Longhua District	100	Residential/Commercial	68,973	145,385	Under construction	2026
Shanghai	Avant	Xuhui District	85	Residential	81,709	315,084	Under construction	2026
Shanghai	Arise	Yangpu District	100	Residential/Commercial	40,208	155,649	Under construction	2026
Shanghai	Anlan Shanghai	Xuhui District	50.5	Residential/Commercial	103,893	694,400	Under construction	2028
Shanghai	Dong Siwen Li	Jingan District	100	Residential/Commercial	16,809	95,152	Under construction	2028
Shanghai	Aurae	Putuo District	100	Residential/Commercial	47,199	169,234	Under construction	2027
Shanghai	Arbour I/Arbour II	Huangpu District	98	Residential/Commercial	86,668	412,554	Under construction	2026
Shanghai	Hu Ji Gang Wan	Xuhui District	100	Residential	20,044	58,590	Under construction	2027
Hangzhou	China Overseas Haichaolu TOD Project	Shangcheng District	100	Residential/Commercial	56,295	312,945	Under construction	2028
Hangzhou	Infinite Horizons	Binjiang District	100	Residential/Commercial	30,459	145,515	Under construction	2026
Ningbo	The Bund Mansion	Haishu District	100	Residential	51,976	179,328	Under construction	2026
Jinan	Starry Enchantment	Huaiyin District	100	Residential	47,127	201,087	Under construction	2026
Jinan	Avery Mansion	Lixia District	100	Residential	48,099	203,504	Under construction	2027
Jinan	Timeless Realm	Lixia District	100	Residential	60,971	224,902	Under construction	2027
Wuhan	Dong Hu Jiu Zhang	Wuchang District	100	Residential	53,685	309,527	Under construction	2026

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT (continued)

Major Property Development Projects (continued)

City	Project	Location	Group's		Site area sq m	Total GFA sq m	Progress	Completion year
			interest %	Intended use				
Xi'an	Glory Manor	Yanta District	100	Residential/Commercial	84,876	444,775	Under construction	2026
Chengdu	One Sino Residences	Qingyang District	100	Residential/Commercial	74,366	194,078	Under construction	2026
Beijing	Infinite Horizons	Xicheng District	100	Residential	44,990	172,090	Under construction	2027
Beijing	Chang An Jiu Zhang	Shijingshan District	100	Residential	37,380	167,660	Under construction	2027
Beijing	Origin of Ideal	Shijingshan District	100	Residential	30,625	134,125	Under construction	2027
Beijing	Habitat	Chaoyang District	100	Residential/Commercial	47,972	192,284	Under construction	2027
Beijing	Beijing Corniche	Chaoyang District	100	Residential	27,910	125,153	Under construction	2026
Beijing	Eternal Beijing	Chaoyang District	100	Residential	22,027	86,796	Under construction	2026
Beijing	Lumina Legacy	Shijingshan District	100	Residential	33,896	127,060	Under construction	2026
Beijing	Rivendell	Shijingshan District	100	Residential	41,652	105,309	Under construction	2026
Beijing	Splendor Mansion	Fengtai District	100	Residential	67,672	247,366	Under construction	2027
Beijing	One Sino Residences	Fengtai District	100	Residential	27,422	100,680	Under construction	2026
Beijing	Anlan Beijing	Haidian District	100	Residential	39,738	130,592	Under construction	2026
Beijing	The Future Realm	Changping District	80	Residential/Commercial	33,526	75,530	Under construction	2026
Beijing	One Sino Residences	Fengtai District	100	Residential	39,573	131,485	Under construction	2026
Shijiazhuang	Middle Museum/ Park Villa	Qiaoxi District	100	Residential	63,811	179,407	Under construction	2026
Tianjin	Aura Rhythms	Nankai District	100	Residential/Commercial	40,444	124,652	Under construction	2026
Hong Kong	Grand Mayfair I/ Grand Mayfair II	Kam Tin South	33.3	Residential	41,687	114,896	Under construction	2027
Hong Kong	The Knightsbridge	Kai Tak District	18	Residential/Commercial	9,765	107,760	Completed	2025
Hong Kong	KT Marina	Kai Tak District	20	Residential	16,385	142,217	Under construction	2026
Hong Kong	Twin Victoria	Kai Tak District	50	Residential	5,548	45,274	Completed	2025
Hong Kong	Victoria Voyage	Kai Tak District	30	Residential/Commercial	18,353	157,976	Completed	2025
Hong Kong	Double Coast	Kai Tak District	30	Residential	9,583	67,081	Completed	2025

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTY OPERATIONS

Amid persistently challenging market conditions, the Group's commercial property operations delivered steady growth in operational performance and unleash asset potential by leveraging an increasingly mature asset management systems and refined operational strategies, and through the continuous development of benchmark projects in cities and key regions, and the optimisation of a diversified portfolio assets.

During the year, the Group's revenue from commercial properties was RMB7.2 billion. Of this, revenue from office buildings was RMB3.47 billion, revenue from shopping malls was RMB2.39 billion, revenue from long-term leased apartments was RMB0.35 billion, and revenue from hotels and other commercial properties was RMB0.99 billion.

During the year, the Group launched six new commercial properties, increasing total GFA of commercial property in operation of 280,000 sq m, details are listed below:

Name of property	Type	City	Total GFA '000 sq m
Jin'an China Overseas Fortune Center Tower C	Office Building	Beijing	50
China Overseas Plaza Tower B	Office Building	Nanjing	82
China Overseas Finance Center	Office Building	Beijing	39
China Overseas (Beijing) Daji Xiang	Shopping Mall	Beijing	86
Shanghai Gathering	Shopping Mall	Shanghai	6
Unilive Apartment (East of Shenzhen North Station)	Long-term Leased Apartment	Shenzhen	14
Total			277

In 2025, the Group achieved a major breakthrough in commercial asset management, by successfully establishing a commercial public REIT platform. China Overseas Commercial REIT was successfully listed on the Shenzhen Stock Exchange (180607.SZ) on 31 October 2025. This marked an important strategic step in the Group's efforts to promote high-quality development of its commercial businesses, completing the full-cycle capital loop of "invest, finance, construct, manage and exit". It also laid a solid foundation for further transformation towards an asset management business.

At 31 December 2025, the total GFA of commercial properties held by the Group Series of Companies (excluding COGO) had reached 10.3 million sq m. Of this, the total GFA of commercial property in operation was 7.75 million sq m, with 97.6% located in the core area of first-and second-tier cities.

Type	Commercial properties in operation		Commercial properties under development and to be developed		Total	
	Number	Total GFA '000 sq m	Number	Total GFA '000 sq m	Number	Total GFA '000 sq m
Office Building	60	3,930	8	1,170	68	5,100
Shopping Mall	28	2,660	9	1,060	37	3,720
Long-term Leased Apartment	25	520	5	210	30	730
Hotel	14	640	3	110	17	750
Total	127	7,750	25	2,550	152	10,300

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTY OPERATIONS *(continued)*

Office Buildings

In 2025, revenue from office buildings was RMB3.47 billion, representing a year-on-year decrease of 2.8%.

During the year, amid the ongoing market downturn pressure, the Group's office business leveraged its mature commercial property asset management expertise, drawing on long-established customer relationships, diversified leasing channels and flexible strategies to secure a cumulative leasable area of 1,110,000 sq m. The Group continued to refine its asset management standards and service systems, deepening long-term trust and relationships with customers, and achieving a lease renewal rate of 65.3% through the year. The occupancy rate of mature projects that have been operating for more than three years held steady at 78.8%, further demonstrating the Group's operational resilience. In addition, the tenant composition remained robust, with 57 Fortune Global 500 enterprises newly introduced during the year, augmenting tenant quality and strengthening the core competitiveness of the Group's office business.

The Group's office buildings business continued to lead the industry in brand value. For 72 consecutive months, the Group has ranked first on China's "Commercial Office Operators Development Index" by Guandian Index Research Institute, was honoured as "2025 China's Office Operations Benchmark Enterprises" and "2025 China Office Operators Top 30". The Group also served as lead editors in formulating the "Standards for Evaluation of Commercial Building Operation Services". Drawing on the influence of the COOC China Overseas Business brand, and maintaining ESG best practice while promoting integration and innovation in office ecosystems, Beijing China Overseas Finance Center was honoured as "2025 China Building Economy ESG Benchmark Project", "2025 China Commercial Real Estate Zero-Carbon Building Demonstration Project", "2025 China Office Building Brands by Value Top 10", and "2025 China Building Economy High-Quality Development Building" during the year.

Shopping Malls

In 2025, China's consumer market continued to grow, driven by higher-quality goods consumption, the steady expansion of new consumption formats, and a sustained recovery across the retail sector. However, that recovery was incomplete as consumers remained cautious about their income outlook. The Group's shopping mall business continued to grow by leveraging its efficient management and refined operations to accurately grasp developments in consumption, creating distinctive spaces and driving diverse consumption scenarios. By the end of 2025, the overall occupancy rate of the Group's shopping malls was 96.1%. Overall sales and customer flow rose by 11.7% and 13.8% respectively, including rises in same-store sales and customer flow of 2.6% and 7.6% respectively, driving up revenue from shopping malls by 5.7% year-on-year to RMB2.39 billion.

During the year, the Group's flagship shopping mall, China Overseas (Beijing) Daji Xiang ("Daji Xiang") held its grand opening. With over 50% of its tenants comprising first stores and Daji Xiang exclusive stores, the project launched as a powerful new entrant with an occupancy rate of 95.9%, offering a hybrid experiential space built around "quality socialising, refined living, and pioneering culture". On its opening day, Daji Xiang welcomed more than 200,000 visitors, with 27 brands broke national sales records and 34 brands topped sales rankings in the Beijing market, showcasing Daji Xiang's role as a benchmark for upgrading support amenities in the capital's core functional zone. Following its opening, the project received widespread media coverage, including from Xinhua News Agency, China Central Television, Beijing Television, China Daily and China Business News, and won multiple industry awards, reflecting strong recognition of Daji Xiang's contributions to urban renewal, cultural revitalisation and commercial innovation. It also underscored the Group's core competitiveness in urban renewal.

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTY OPERATIONS *(continued)*

Shopping Malls *(continued)*

The Group's shopping mall business continued to break new ground and innovate, always delivering fresh experiences to consumers. During the year, its influence across the industry strengthened, and it was recognised as "Annual Leading Commercial Real Estate Enterprise of the Year" by Winshang.com, and placed in the "2025 Comprehensive Strength Ranking in China in Real Estate Commercial Management Top 10" while earning the "2025 China Real Estate Asset Management Benchmark Award in Operational Management Capability" from CRIC.

Long-term Leased Apartments

In 2025, the Group's long-term leased apartments business achieved revenue of RMB0.35 billion, representing a year-on-year increase of 29.8%. During the year, the Group further built out its dual-engine model which balances "refined operations with a warm, engaged community", enriching neighbourhood culture and strengthening connections with and among customers. By providing high-quality operational services, the Group solidified the core businesses foundation and continued to innovate ways of urban rental living. At 31 December 2025, the Group owned long-term leased apartments in 11 major cities across the country, with 25 projects in operation. The occupancy rate of projects that had been operating for more than six months was 93.9%.

By virtue of its benchmarking influence across dimensions such as product excellence, asset management, service quality and spatial value creation, the Group's long-term leased apartments business was recognised by Ruihe Think Tank for the "2025 China Quality Rental Living in Comprehensive Strength Top 10". Additionally, Unilive Apartments (Shenzhen Hongshan) was honoured as "2025 China Quality Rental Living China • Benchmark Rental Community". These accolades reflect strong recognition from both the industry and the market.

Hotels

At 31 December 2025, through a coordinated approach that included accurately capturing market dynamics, organising distinctive events and broadening strategic collaboration, the Group has 14 star-rated hotels in operation, located across Macau, Beijing, Shenzhen, Zhuhai, Hainan, Foshan, and other cities. During the year, revenue from hotels and other commercial properties was RMB0.99 billion, representing a year-on-year decrease of 3.4%.

During the year, the Group's hotel business received multiple prestigious industry awards; The COLI Hotel was awarded "China Quality Rental Living Stable Asset Management Capability Hotel Management Platform", The Shenzhou Golf Club was once again listed among the "Asia Golf Club Top 100" and "China Golf Resorts Top 10". Pullman Zhuhai and Ascott Macau also won the "2025 CHA China Hotel Awards Annual Best Conference Hotel" and "Annual Best Serviced Apartments", respectively, continue showcasing the strength of the brand.

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTIES OPERATIONS (continued)

Major Completed Commercial Properties

	Name of property and location	Type	Group's interests %	City	Year of expiry of lease term	Total GFA sq m
(a)	Jin'an China Overseas Fortune Center Tower A, B & C Jin'an Unielite North Xin'an Shanty Town, Shijingshan District, Beijing	Office Building and Shopping Mall	100	Beijing	2067	226,440
(b)	China Overseas Plaza Jianwai Unielite Jianguomenwai Avenue, Chaoyang District, Beijing	Office Building and Shopping Mall	100	Beijing	2053	145,333
(c)	China Overseas International Center of Aonan Community Anzhen Unielite No. 4 Parcel at Intersection of Anding Road and Beitucheng East Road, Beijing	Office Building and Shopping Mall	100	Beijing	2060 2050	127,824
(d)	China Overseas Property Plaza West Bin He Road, Yong Ding Men, Dongcheng District, Beijing	Office Building and Commercial	100	Beijing	2043	88,943
(e)	China Overseas Building Blocks C & D Lao Gu Cheng Village JA Parcel, Shijingshan District, Beijing	Office Building and Commercial	100	Beijing	2055	62,047
(f)	China Overseas Building Lao Gu Cheng Village JB Parcel, Shijingshan District, Beijing	Office Building and Commercial	100	Beijing	2053	46,950
(g)	China Overseas Property Building No.96 Taipingqiao Avenue, Xicheng District, Beijing	Office Building	100	Beijing	2051	24,668
(h)	China Overseas Finance Center Zone 1, No. 20 Luomashi Avenue, Xicheng District, Beijing	Office Building and Commercial	100	Beijing	2044 2054	235,633
(i)	China Overseas International Center Xintiandi Unielite Intersection of East Jianguo Road and Huangpi South Road, Huangpu District, Shanghai	Office Building and Shopping Mall	100	Shanghai	2056 2046	158,930
(j)	China Overseas Center Blocks A & B Zhenru Unipark Max Tongchuan Road, Putuo District, Shanghai	Office Building and Shopping Mall	70	Shanghai	2060	428,577
(k)	China Fortune Tower No. 1568-1588, Century Avenue, Pudong New District, Shanghai	Office Building and Commercial	51	Shanghai	2054	95,622
(l)	China Overseas Building Intersection of Dongting Road and Heiniucheng Road, Hexi District, Tianjin	Office Building	100	Tianjin	2055	73,619
(m)	China Overseas International Center Phase One to Three Jiaozi Unielite No. 199 Jincheng Road, Gaoxin District, Chengdu	Office Building and Shopping Mall	100	Chengdu	2047	386,810

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTIES OPERATIONS (continued)

Major Completed Commercial Properties (continued)

	Name of property and location	Type	Group's interests %	City	Year of expiry of lease term	Total GFA sq m
(n)	China Overseas Building Tianxin Unipark No. 111 Zhongyi Two Road, Tianxin District, Changsha	Office Building and Shopping Mall	100	Changsha	2046	203,428
(o)	China Overseas Plaza Heping Unipark Unilive Apartment (Shenyang Heping International) No. 372, No. 368 and No. 368A Nanjing South Street, Heping District, Shenyang	Office Building, Shopping Mall and Long-term Leased Apartment	100	Shenyang	2054 2054 2084	302,934
(p)	China Overseas Center No.278 Qingnian Road, Jiangnan District, Wuhan	Office Building and Commercial	100	Wuhan	2057	116,442
(q)	China Overseas Building Gulou Unipark No. 39 Qingliangmen Street, Gulou District, Nanjing	Office Building and Shopping Mall	100	Nanjing	2048	172,346
(r)	China Overseas Plaza Tower A and Tower B Meijiatang, Rehenan Road, Gulou District, Nanjing	Office Building and Commercial	100	Nanjing	2057	151,597
(s)	China Overseas International Center Qianshan Unipark Qianhe North Road, Xiangzhou District, Zhuhai	Office Building and Shopping Mall	90	Zhuhai	2058 2048	259,127
(t)	China Overseas Building Mid-Town Bai Shi Road, Xiangzhou District, Zhuhai	Office Building and Shopping Mall	100	Zhuhai	2060 2050	202,638
(u)	China Overseas Fortune Center No. 9 Suzhou Avenue West, Suzhou Industrial Park, Suzhou	Office Building and Commercial	100	Suzhou	2050	171,672
(v)	One South Place (The Helicon) 1 South Place, London, U.K.	Office Building	100	London	Freehold	21,150
(w)	One Finsbury Circus One Finsbury Circus, London, U.K.	Office Building	100	London	Freehold	19,260
(x)	Carmelite House 50 Victoria Embankment, Carmelite House, London, U.K.	Office Building	100	London	Freehold	12,447
(y)	Yinghai Unifun Southwest of the intersection of Jingfu Road and Ying'an Street, Daxing District, Beijing	Shopping Mall	100	Beijing	2059	92,254
(z)	Meijiang Unipark Intersection of Jiefang South Road and Lushui Road, Hexi District, Tianjin	Shopping Mall	100	Tianjin	2060	161,346

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTIES OPERATIONS (continued)

Major Completed Commercial Properties (continued)

	Name of property and location	Type	Group's interests %	City	Year of expiry of lease term	Total GFA sq m
(aa)	Tianfu Unielite Phase 1 Ascott Qinghuang Chengdu Unilive Apartment (Tianfu International) Qinhuangsi Business District, Tianfu New District, Chengdu	Shopping Mall, Hotel and Long-term Leased Apartment	100	Chengdu	2058	102,115
(ab)	Yinzhou Unipark 689 Jiangdong South Road, Yinzhou District, Ningbo	Shopping Mall	100	Ningbo	2056	135,757
(ac)	Qiandeng Lake Unipark No. 18 Guilanzhong Road, Nanhai District, Foshan	Shopping Mall	100	Foshan	2052	130,896
(ad)	Huashanxi Unipark The COLI Hotel Unilive Apartment (Huashan International) No. 1688 and No.1710 Jiangjun Road, Licheng District, Jinan	Shopping Mall, Hotel and Long-term Leased Apartment	100	Jinan	2056	242,352
(ae)	The COLI Hotel No. 168 Dayun Road, Longgang District, Shenzhen	Hotel	100	Shenzhen	2057	84,792
(af)	Grand Hyatt Shenzhou Peninsula Shenzhou Peninsula Tourism Resort, Binhai Avenue, Donggao Town, Wanning	Hotel	80	Wanning	2059	79,350
(ag)	Kimpton Bamboo Grove No. 168 Zhuhui Road, Gusu District, Suzhou	Hotel	100	Suzhou	2045	28,584
(ah)	Unilive Apartment (Beijing Fangshan Store) About 90 meters away from the northeast of Xicheng International, Changhong West Road, Fangshan District, Beijing	Long-term Leased Apartment	100	Beijing	2057	29,188
(ai)	Unilive International Serviced-residence No.3-5, Lane 99, Jingning Road, Putuo District, Shanghai	Long-term Leased Apartment	70	Shanghai	2070	39,887

Major Commercial Properties under Construction

	Name of property and location	Type	Group's interest %	City	Estimated year of completion	Year of expiry of lease term	Total area sq m
(a)	Shanghai Xuhui Project Longhua Street, Xuhui District, Shanghai	Office Building, Shopping Mall and Long-term Leased Apartment	85	Shanghai	2028	2074 2064 2094	536,306
(b)	City Square East Haihe Road, Hedong District, Tianjin	Office Building	51	Tianjin	2026	2066	238,654
(c)	Qinhuangsi No. 1 Site Project Xinglong Street, Tianfu New District, Chengdu	Office Building, Shopping Mall and Hotel	100	Chengdu	2027	2058	555,500

Management Discussion and Analysis (continued)

OTHER OPERATIONS

Material Procurement and Supply Chain Management Services

A subsidiary of the Group, Shenzhen Lingchao Supply Chain Management Co., Ltd (“Shenzhen Lingchao Supply Chain”), as a developer of the building materials supply chain, is committed to providing high-quality, high-efficiency supply chain solutions for the construction industry through technological innovation and service optimisation.

During the year, Shenzhen Lingchao Supply Chain was invited to participate in the 2025 ESG China Innovation Annual Conference, the 2025 BEYOND International Technology Innovation Expo, and the National Professional Exhibition – Good House Technology Exhibition. It also hosted a sub-forum on ‘Procurement and Supply Chain Management in State-owned Construction Enterprises,’ and continued to initiate and organise the ‘Supplier Ecosystem Co-creation Salon’ series of events, aiming to promote synergistic and mutually beneficial development along the industrial chain. In addition, Shenzhen Lingchao Supply Chain was officially recognised as both a Shenzhen Headquarters Enterprise and a Nanshan District Green Channel Enterprise. It also passed the surveillance audits of the three major ISO management systems (Quality, Environment, and Occupational Health & Safety), earning multiple accreditations and government honours. During the year, material procurement and supply chain management services achieved external revenue of RMB3.66 billion, representing a year-on-year increase of 36.1%.

Construction and Building Design Services

Hua Yi, a subsidiary of the Group, has established a strong industry reputation through its exceptional project design services. During the year, Hua Yi undertook 421 design projects. Among these, the “Shenzhen Swan Lake Garden (Phase III)” and the “Guangdong-Hong Kong-Macao Greater Bay Area Youth Entrepreneurship Zone (Phase I)” designed by Hua Yi, won the Excellence Award at the HKIA Cross-Strait Architectural Design Awards. Meanwhile, “Shenzhen Bay Xinxing Mingyuan” a noted landmark on the Shenzhen Bay skyline, distinguished by its unique architectural form and complex structure – received the China Steel Structure Gold Award. In addition, Hua Yi won a total of eight awards at the “2025 National Outstanding Engineering Survey and Design Awards”, ranking among the top in Guangdong Province and Shenzhen.

During the year, Hua Yi was recognised as a “Guangdong Construction Green and Prefabricated Development Association Advanced Unit”, a “Guangdong Civil Engineering & Construction Technology Innovation Advanced Enterprise”, and an “China State Construction Engineering Corporation Advanced Unit”.

Senior Living and Elderly Care Business

Adhering to the core philosophy being “customer-oriented”, the Group has established a dual model of “Space and Services” for its standardised senior living products. On the spatial side, this comprises four replicable business elements: specialised dementia care units, active living apartments, senior living apartments, and nursing support. It offers seven categories of services covering residential care, medical services, dining, personal care, rehabilitation, recreational activities and business services, accommodating flexible packages including long-term residency, short stays and trial experiences. By combining standardised product portfolios with tailored service configurations, the Group achieves rapid project implementation, boosts operational efficiency, and provides a core foundation for scalable expansion.

In advancing social collaboration and silver economy initiatives, the Group piloted Shanghai Zhenru Unipark MAX as China’s first benchmark ‘senior-friendly commercial district’. Through the innovative model of “Activation of Financial Functions on Social Security Cards+ Exclusive discounts”, the Group has partnered with more than 40 merchants to offer targeted benefits. At the same time, it has established the “China Overseas Seniors Club”, which organises activities such as drama, singing, anti-fraud workshops and more, forming a diverse ecosystem of “consumption, services and social interaction”. These initiatives have received in-depth media coverage by authoritative media such as China Central Television and the People’s Daily. In addition, the Group successfully hosted the launch ceremony for Shanghai’s “Silver Life Consumption Season”, drawing participation by senior officials from the Municipal Civil Affairs Bureau and the Municipal Commission of Commerce, showcasing the Group’s cross-industry innovation capabilities as a state-owned enterprise.

Management Discussion and Analysis (continued)

GROUP FINANCE

Liquidity, Financial Resources and Debt Structure

The Group adheres to the principal of prudent financial fund management, firmly upholding the bottom line of safety while actively pursuing development. The Group continues to lead the industry by all indicators and maintained its status as “green category” enterprises. At 31 December 2025, the Group’s net current assets were RMB383.03 billion, current ratio was 2.5 times, net gearing was 34.2%; and bank deposits and cash were RMB103.63 billion, accounting for 11.3% of the total assets, with industry-leading liquidity. During the year, the Group’s total interest expenses before capitalisation decreased by RMB2.04 billion, the average borrowing cost decreased to 2.8%, among the lowest in the industry.

The Group’s interest coverage ratio was 2.8 times and was calculated as follows:

	2025 RMB billion	2024 RMB billion
Operating profits	20.81	26.69
Deducting: Total interest income	1.13	1.60
	19.68	25.09
Interest expenses*	7.07	9.04
Interest coverage ratio (times)	2.8	2.8

* Before capitalisation and excluding interest on amounts due to joint ventures and non-controlling shareholders.

At 31 December 2025, the Group had bank loans amounting to RMB172.92 billion while guaranteed notes and corporate bonds amounted to RMB74.46 billion. Total debt amounted to RMB247.38 billion, of which RMB42.32 billion will mature within one year, accounting for 17.1% of total debt. Of the total debt, 87.7% was denominated in RMB, 9.9% was denominated in US dollars, and 2.4% was denominated in Hong Kong dollars. The fixed-rate debt accounted for 43.3% of total debt while the remainder was floating-rate debt. The bank loans, guaranteed notes and corporate bonds due to mature in the first half of 2026 was RMB6.47 billion.

The Group leverage the advantages of onshore and offshore dual financing platforms, flexibly using multiple tools to rationalise its financing arrangements. In 2025, the Group raised onshore and offshore funds amounting to RMB54.38 billion, including the drawdown of a total of RMB13.64 billion of offshore loans. It obtained various onshore loans totalling RMB28.94 billion at the lowest interest rates in the industry, comprising development loans, operating loans and others. Furthermore, the Group successfully issued five tranches of low-interest onshore bonds totalling RMB11.8 billion, including the issuance of the industry’s first RMB0.5 billion of 15-year medium-term note. During the year, the Group repaid RMB67.52 billion of debt early or on schedule, with a total net debt repayment of RMB13.14 billion. In addition, bank loan of RMB20.16 billion was consolidated upon the completion of an acquisition of an equity interest in 上海新東安企業發展有限公司.

Management Discussion and Analysis (continued)

GROUP FINANCE (continued)

Liquidity, Financial Resources and Debt Structure (continued)

The following bonds were issued by the Group during the year:

Securities	Issue date	Due date	Principal amount RMB'000	Coupon rate per annum
2025 corporate bonds				
(i) First tranche (Type I)	28 April 2025	29 April 2030	1,000,000	1.80%
(ii) First tranche (Type II)	28 April 2025	29 April 2035	500,000	2.37%
(iii) Second tranche (Type I)	11 August 2025	12 August 2028	800,000	1.60%
(iv) Second tranche (Type II)	11 August 2025	12 August 2030	2,500,000	1.79%
2025 medium-term notes				
(i) First tranche (Type I)	11 April 2025	14 April 2030	500,000	1.90%
(ii) First tranche (Type II)	11 April 2025	14 April 2035	1,500,000	2.38%
(iii) Second tranche (Type I)	22 August 2025	25 August 2030	1,500,000	1.75%
(iv) Second tranche (Type III)	22 August 2025	25 August 2040	500,000	2.50%
(v) Third tranche (Type I)	20 October 2025	21 October 2028	100,000	1.70%
(vi) Third tranche (Type II)	20 October 2025	21 October 2030	2,900,000	1.90%

During the year, the Group's sales proceeds collection was RMB170.49 billion and other operating cash collection was RMB15.12 billion. Total operating cash collection amounted to RMB185.61 billion. Total capital expenditure payments for the Group were RMB146.49 billion. Of which, RMB104.12 billion was for land costs and RMB42.37 billion was for construction expenditure. The Group's operating net cash inflow was RMB16.73 billion. At 31 December 2025, the Group had unpaid land premiums of RMB12.26 billion.

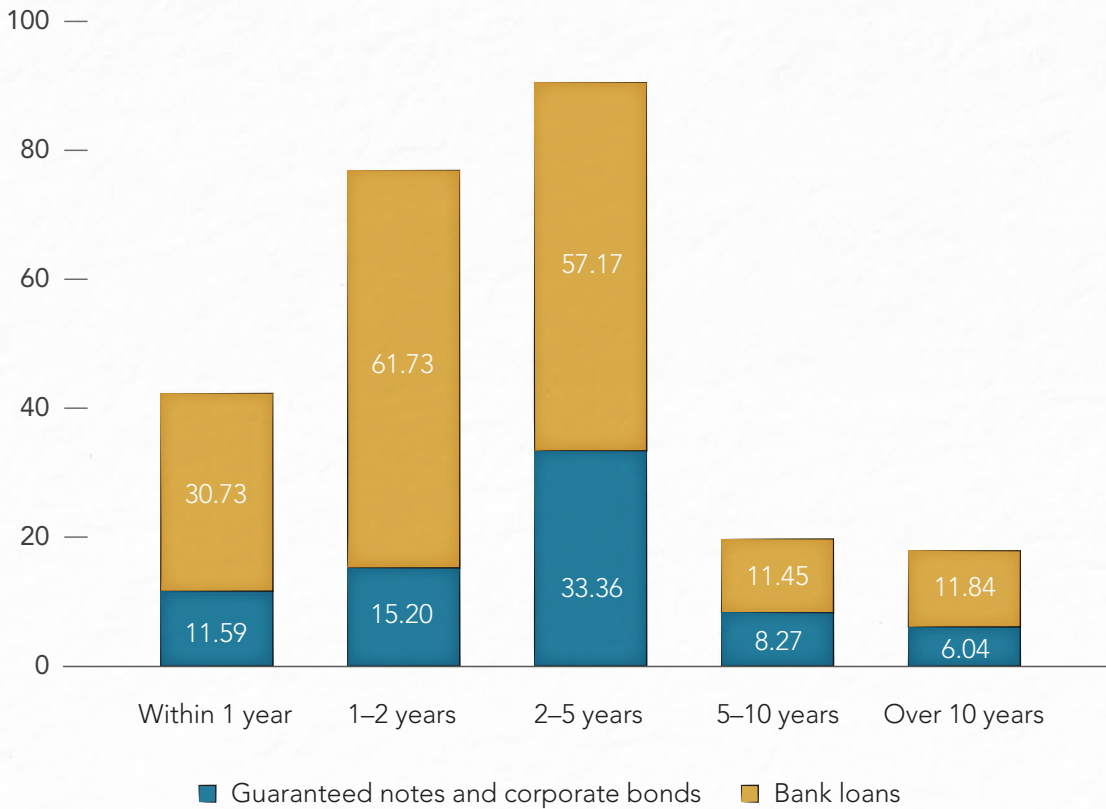
At 31 December 2025, the Group's available funds amounted to RMB167.19 billion, comprising bank deposits and cash of RMB103.63 billion and unutilised banking facilities of RMB63.56 billion. Of the bank deposits and cash, 96.8% was denominated in RMB, 2.2% was denominated in Hong Kong dollars, 0.5% was denominated in US dollars, 0.3% was denominated in Singapore dollars, 0.2% was denominated in pounds sterling and a small amount was denominated in other currencies, while the bank deposits and cash also included regulated pre-sales proceeds of properties of RMB14.79 billion.

Management Discussion and Analysis (continued)

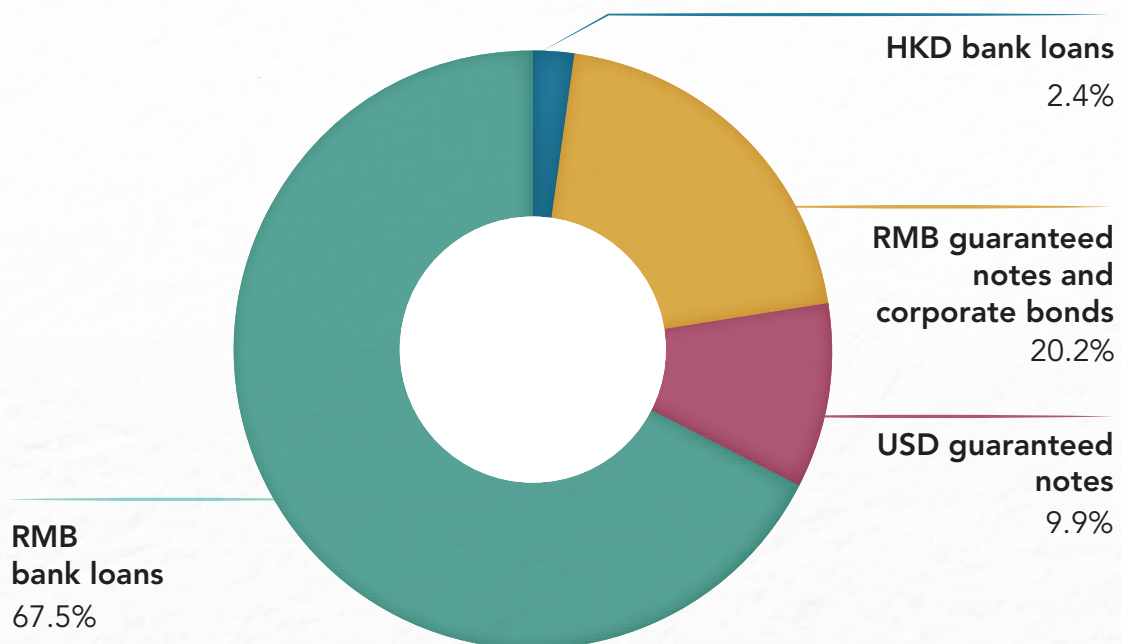
GROUP FINANCE (continued)

Interest-Bearing Debt Maturity Profile at 31 December 2025

RMB billion



Interest-Bearing Debt By Currency at 31 December 2025



Management Discussion and Analysis (continued)

GROUP FINANCE *(continued)*

Risks of Exchange Rate and Interest Rate Volatility

In 2025, China's economy remained broadly stable, demonstrating considerable resilience and long-term growth potential. The US Federal Reserve commenced a new rate-cutting cycle in September. Against the backdrop of interest rate reductions in the US, increasing the uncertainty of trade policy and macroeconomic, the US dollar index weakened significantly over the year, leading to a modest appreciation of the RMB against the US dollar. During the year, the Group continued to scale down non-RMB net debt exposure. At 31 December 2025, the proportion of RMB debt had increased to 87.7%, representing an increase of 5.4 percentage points as compared with the end of 2024. The Group's exchange rate management is mainly through natural hedging and it has not engaged in any speculative transactions in derivative financial instruments. Meanwhile, the Group will maintain a prudent and flexible attitude, and consider conducting currency and interest rate swap arrangements at an appropriate time to hedge against potential risks arising from exchange rate and interest rate fluctuations. Overall, the Group's exposure to exchange rate and interest rate risks remains well-contained, and the Group will continue to dynamically refine its risk management strategies in response to evolving market conditions.

OTHERS

Contingent Liabilities

At 31 December 2025, the Group provided guarantees to banks amounting to RMB12.78 billion in respect of the mortgage bank loans granted to purchasers of the Group's properties. The Group had counter indemnities amounting to RMB2.8 billion for guarantees issued in respect of certain construction contracts undertaken by the Group.

In addition, as at 31 December 2025, the Group had provided guarantees to banks amounting to RMB9.71 million, RMB1.53 billion and RMB290 million in respect of certain credit facilities granted to and utilised by its associates, joint ventures and other entities respectively.

The Group has never incurred any losses in the past as a result of granting such guarantees.

Charge of Assets

At 31 December 2025, certain of the Group's assets with carrying values of RMB168 billion have been pledged to secure its bank loans.

Major Risks and Uncertainties

The business and prospects of the Group mainly depend on the performance of the property market in the Chinese mainland, Hong Kong and Macau and are therefore affected by the risks associated with the property markets in the Chinese mainland, Hong Kong and Macau, including the economic situation, policy changes, exchange rate fluctuations, interest rate changes, adjustments of tax rules, and imbalances in supply and demand. In addition, the operation of the Group is also unavoidably affected by various industry-specific risk factors in property development, commercial property operations and other business. Also, misconduct from buyers, tenants, and strategic business partners or other related factors may, to various extents, negatively impact its operation. The Group has formulated risk prevention systems and policies and endeavours to avoid the occurrence of any unexpected financial loss, litigation or reputational damage. In future, the Group will continue to closely monitor changes in these risks and the environment. It will also pay attention to interest rate risk and foreign exchange risk and take timely measures to reduce any impact on its businesses. For more details of the principal risks faced by, and key control measures taken by the Group during the year, please refer to the "Risk Management and Internal Controls Report" in this annual report.

Directors and Senior Management

(As at 31 March 2026, date of this Annual Report)



From left to right: Mr. GUO Guanghui, Mr. YAN Jianguo, Mr. ZHANG Zhichao

Directors and Senior Management

(As at 31 March 2026, date of this Annual Report)

BOARD OF DIRECTORS

Executive Directors

Mr. YAN Jianguo

BBS, JP

Chairman and Executive Director

Aged 59, has been appointed as the Chairman and Executive Director of the Company since 2017 and concurrently acted as the Chief Executive Officer of the Company from 2017 to 2020. Mr. Yan holds a PhD degree in Management. He is currently the Chairman of China Overseas Holdings Limited (a substantial shareholder of the Company) and a Non-executive Director of China State Construction International Holdings Limited (listed in Hong Kong). He was the Chairman and Non-executive Director of China Overseas Property Holdings Limited (listed in Hong Kong) and China Overseas Grand Oceans Group Limited (listed in Hong Kong), and the Chairman of China State Construction International Holdings Limited (listed in Hong Kong). Mr. Yan has over 30 years' experience in construction business and real estate general management. He has been elected as a member of the 14th National Committee of the Chinese People's Political Consultative Conference in 2023.

Mr. ZHANG Zhichao

Executive Director and Chief Executive Officer

Aged 46, has been appointed as the Executive Director and Chief Executive Officer of the Company since February 2020. Mr. Zhang holds a bachelor's degree in Construction Engineering. He is currently a director of China Overseas Holdings Limited (a substantial shareholder of the Company) and a director of certain subsidiaries of the Group. Mr. Zhang has over 20 years' experience in property development and corporate management.

Mr. GUO Guanghui

Executive Director and Vice President

Aged 53, has been appointed as an Executive Director of the Company since June 2018. Mr. Guo holds a master's degree in Business Administration, and is a senior accountant and a non-practising member of The Chinese Institute of Certified Public Accountants. He is currently the Vice President of the Company and a director of certain subsidiaries of the Group. He was a Non-executive Director of China Overseas Grand Oceans Group Limited (listed in Hong Kong). Mr. Guo has over 30 years' management experience in corporate finance and accounting.

Directors and Senior Management (continued)

(As at 31 March 2026, date of this Annual Report)

Non-Executive Directors



Mr. ZHUANG Yong
Vice Chairman and Non-Executive Director

Aged 49, has been appointed as a Non-executive Director and the Vice Chairman of the Company since February 2020. Mr. Zhuang holds a master's degree in Architecture and Civil Engineering. He is currently the Chairman and Executive Director of China Overseas

Grand Oceans Group Limited (listed in Hong Kong) and a director of China Overseas Holdings Limited (a substantial shareholder of the Company). Mr. Zhuang has over 20 years' experience in corporate management.



Mr. MA Yao
Non-Executive Director

Aged 54, has been appointed as a Non-executive Director of the Company since January 2025. Mr. Ma currently serves as general manager of Department of Strategy and Investment Management of CITIC Group Corporation. He obtained a bachelor's degree in automatic control from Xi'an Jiaotong University, a master's degree in monetary banking and a doctor's degree in international finance from the Graduate School of the People's Bank of China. Mr. Ma joined CITIC Securities Company Limited ("CITIC Securities") (listed in Hong Kong) in 1998 and previously

served as the deputy general manager of the Risk Control Department, deputy general manager of the Bond Distribution and Trading Department, deputy general manager of the Trading Department, chief executive of the Capital Market Department, head of the Financial Industry Group, member of the Investment Banking Management Committee, head of the Investment Banking Management Committee, member of the Executive Committee of CITIC Securities, and director of CLSA Limited and CITIC Securities (Hong Kong) Limited.

Directors and Senior Management (continued)

(As at 31 March 2026, date of this Annual Report)

Independent Non-Executive Directors



Mr. LI Man Bun, Brian David

BBS, JP, MA (Cantab), MBA, FCA

***Independent Non-Executive Director,
Chairman of the Audit and Risk Management Committee,
Member of the Corporate Governance Committee,
Member of the Nomination Committee,
Member of the Remuneration Committee***

Aged 51, joined the Board as an Independent Non-executive Director of the Company on 19 March 2013 and was appointed Chairman and Member of the Audit and Risk Management Committee, Member of the Nomination Committee and Member of the Remuneration Committee on the same day. He was appointed Member of the Corporate Governance Committee on 29 March 2021. Mr. Li is Co-Chief Executive of The Bank of East Asia, Limited ("BEA") (listed in Hong Kong), responsible for the overall management and control of BEA with a particular focus on its Chinese Mainland and international businesses. Mr. Li joined BEA in 2002 and served as General Manager & Head of Wealth Management Division from 2004 to 2009. Mr. Li was subsequently appointed Deputy Chief Executive in 2009, Executive Director in 2014, and Co-Chief Executive of BEA in 2019.

Mr. Li is currently an Independent Non-executive Director of Towngas Smart Energy Company Limited (listed in Hong Kong) and Guangdong Investment Limited (listed in Hong Kong). He was an Independent Non-executive Director of Shenzhen Investment Holdings Bay Area Development Company Limited (listed in Hong Kong).

Mr. Li holds a number of public and honorary positions, including being a member of the National Committee of the Chinese People's Political Consultative Conference and a Vice Chairman of its Committee on Social and Legal Affairs, a Member of the Chief Executive's Council of Advisers of the Government of the Hong Kong Special Administrative Region, a Board Member of the Hong Kong-Shenzhen Innovation and Technology Park Limited, a Member of the Disaster Relief Fund Advisory Committee, and a Member of the Council of The University of Hong Kong.

Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He is also a Member of the Hong Kong Academy of Finance; an Honorary Certified Banker of The Hong Kong Institute of Bankers and a Full Member of the Treasury Markets Association. Mr. Li holds an MBA degree from Stanford University and a BA degree from the University of Cambridge.

Directors and Senior Management (continued)

(As at 31 March 2026, date of this Annual Report)



Professor CHAN Ka Keung, Ceajer

GBS, SBS, JP

***Independent Non-Executive Director,
Chairman of the Corporate Governance Committee,
Chairman of the Remuneration Committee,
Member of the Audit and Risk Management Committee,
Member of the Nomination Committee***

Aged 69, joined the Board as an Independent Non-executive Director of the Company on 27 June 2020 and was appointed Chairman and Member of the Remuneration Committee, Member of the Audit and Risk Management Committee and Member of the Nomination Committee on the same day. He was appointed Chairman of the Corporate Governance Committee on 29 March 2021. Professor Chan is the chairman of WeLab Bank Limited and senior advisor of WeLab Holdings Limited, a leading fintech company in Asia with one of the first virtual banks established in Hong Kong. He was appointed as Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region from July 2007 to June 2017. Prior to that, he was Dean of Business and Management in the Hong Kong University of Science and Technology ("HKUST"). He is currently Adjunct Professor at HKUST Business School and received the Honorary Doctorate from HKUST in July 2020.

Professor Chan received his bachelor's degree in economics from Wesleyan University and his M.B.A. and Ph.D. in finance from the University of Chicago. Professor Chan specialised in assets pricing, evaluation of trading strategies and market efficiency and has published numerous articles on these topics.

Professor Chan is the Chairman of the Chamber of Hong Kong Listed Companies and a member of the Hang Seng Index Advisory Committee. In the past, he held a number of public service positions including chairman of the Consumer Council, director of the Hong Kong Futures Exchange, and member of Competition Commission, the Commission on Strategic Development, Commission on Poverty, the Exchange Fund Advisory Committee, the Hang Seng Index Advisory Committee, the Hong Kong Council for Academic Accreditation and Non-executive Director of The Hong Kong Mortgage Corporation Limited.

In addition, Professor Chan is also an Independent Non-executive Director of Guotai Junan International Holdings Limited, Langham Hospitality Investments and Langham Hospitality Investments Limited and CTF Services Limited (formerly known as NWS Holdings Limited), all of which are listed in Hong Kong. He is also an Independent Non-executive Director of Eagle Asset Management (CP) Limited (as manager of Champion Real Estate Investment Trust which is listed in Hong Kong). Professor Chan was an Independent Non-executive Director of USPACE Technology Group Limited (formerly known as Hong Kong Aerospace Technology Group Limited), CMB International Capital Corporation Limited and Greater Bay Area Homeland Investments Limited, and a Non-executive Director of Trivium Holdings Limited and MTR Corporation Limited.

Directors and Senior Management (continued)

(As at 31 March 2026, date of this Annual Report)



Dr. CHAN Ching Har, Eliza

GBS, JP, LL.D. (Hon)

***Independent Non-Executive Director,
Chairman of the Nomination Committee,
Member of the Audit and Risk Management Committee,
Member of the Corporate Governance Committee,
Member of the Remuneration Committee***

Aged 69, joined the Board as an Independent Non-executive Director of the Company on 29 June 2023 and was appointed Chairman and Member of the Nomination Committee, Member of the Audit and Risk Management Committee, Member of the Remuneration Committee and Member of the Corporate Governance Committee on the same day. Dr. Chan holds the qualifications of Barrister & Solicitor of British Columbia Supreme Court, Canada, Solicitor of the Supreme Court of England and Wales and Solicitor of the High Court of Hong Kong. Dr. Chan is a non-official member of the Executive Council of Hong Kong. She is also a member of the National Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a standing member of the CPPCC Tianjin Committee, Foreign Economic Affairs Legal Counsel to the Tianjin Municipal People's Government, an arbitrator of China International Economic and Trade and Arbitration Commission (CIETAC) and a China-appointed Attesting Officer.

Dr. Chan is the Chairperson of Women's Commission, and previously served as a member of the Selection Committee for the selection of the First Chief Executive of Hong Kong SAR, and a member of the Election Committee for the selections of the Chief Executive of Hong Kong SAR and the Hong Kong SAR delegates to the National People's Congress. She was Chairman of Hong Kong CPPCC (Provincial) Members Association and now serves as Permanent Honorary Chairman. Dr. Chan also held a number of Hong Kong Government appointed positions, notably as a member of the Hong Kong Hospital Authority, member of Hong Kong Public Service Commission,

member of the Hong Kong Board of Education, member of Hong Kong Examinations and Assessment Authority, Chairman of Public Complaints Committee under Hong Kong Hospital Authority, Chairman of Kowloon Hospital, Chairman of Hong Kong Eye Hospital, Chairman of Tseung Kwan O Hospital, member of the Governing Committee of Queen Elizabeth Hospital, member of The Medical Council of Hong Kong, Chairman of Pensions Appeal Panel, member of Administration Appeals Board, adjudicator of Hong Kong Immigration Tribunal, member of Disciplinary Panel of Institute of Accountants, Council member of The University of Science & Technology and Board member of Hong Kong Science and Technology Park Corporation.

Dr. Chan is a senior consultant of Chan & Jamison LLP and senior advisor of Deloitte Touche Tohmatsu, Deputy Chairman and Independent Non-executive Director of Bank of Communications (Hong Kong) Limited, Independent Non-executive Director of China Taiping Life Insurance Co. Ltd., China Taiping Insurance (HK) Company Limited and Tong Ren Tang Technologies Co. Ltd. (listed in Hong Kong). She was an Independent Non-executive Director of Lansin Pharmaceutical Holdings Limited (listed in Hong Kong), China National Aviation Company Limited (formerly listed in Hong Kong), China Electronics Optics Valley Union Holding Company Limited (listed in Hong Kong) and Cathay International Holdings Limited (formerly listed in London) as well as a Non-executive Director of China Aerospace International Holdings Ltd (listed in Hong Kong) and Tianjin Development Holdings Limited (listed in Hong Kong).

Directors and Senior Management (continued)

(As at 31 March 2026, date of this Annual Report)

SENIOR MANAGEMENT

Mr. XU Feng
Vice President

Aged 50, graduated from Zhejiang University, senior engineer. Mr. Xu joined the Group in 2004. He has about 28 years' management experience in human resources management and corporate management.

Mr. XU Wendong
Vice President

Aged 59, graduated from Harbin Institute of Civil Engineering and Architecture (now known as Harbin Institute of Technology), senior engineer, architect. Mr. Xu joined the Group in 2001. He has about 38 years' experience in architectural design and corporate management.

Mr. LIU Xianyong
Vice President

Aged 54, graduated from Harbin University of Architecture and Engineering (now known as Harbin Institute of Technology), senior economist. Mr. Liu joined the Group in 1995. He has about 31 years' experience in sales and marketing planning and corporate management.

Mr. LIU Huiming
Vice President

Aged 48, graduated from Tsinghua University and obtained a master degree of Science in Engineering from Tsinghua University, senior engineer. Mr. Liu joined the Group in 2003. He has about 23 years' experience in construction and corporate management.

Mr. WANG Linlin
Vice President

Aged 48, graduated from Shenyang Institute of Civil Engineering and Architecture and obtained a master degree of Management from Harbin Institute of Technology, senior engineer. Mr. Wang joined the Group in 2007. He has about 26 years' experience in human resources, commercial operations and corporate management.

Mr. LI Yingjun
Vice President

Aged 47, graduated from Southeast University and obtained a master degree of Management from Southeast University. Mr. Li joined the Group in 2003. He has about 23 years' experience in investment planning, sales and marketing planning and corporate management.

Mr. GUO Lei
Vice President

Aged 54, graduated from Shenyang Institute of Civil Engineering and Architecture and obtained a master degree of Management from Harbin University of Architecture and Engineering (now known as Harbin Institute of Technology) and a doctorate degree of Management from Harbin Institute of Technology, professor-level senior engineer. Mr. Guo joined the Group in 2003. He has about 33 years' experience in engineering, contract and corporate management.

Mr. LIU Changsheng
Vice President

Aged 48, graduated from Hunan Normal University and obtained a master degree of Management from Nanjing University. Mr. Liu joined the Group in 2004. He has about 22 years' experience in sales and marketing planning and corporate management.

Mr. CAO Wenyang
Vice President

Aged 44, graduated from Harbin Institute of Technology and obtained a master degree of Accounting from Harbin Institute of Technology and a master degree in financial control from University of Lille in France. Mr. Cao joined the Group in 2006. He has about 20 years' experience in audit and human resources management.

Mr. CHENG Xin
Assistant President

Aged 50, graduated from Southeast University and obtained a master degree of Business Administration from China Europe International Business School. Mr. Cheng joined the Group in 2017. He has about 30 years' experience in investment planning and corporate management.

Mr. FU Xiwei
Assistant President

Aged 47, graduated from Southeast University and obtained a master degree of Management from Southeast University. Mr. Fu joined the Group in 2004. He has about 22 years' experience in investment planning and corporate management.

Ms. LIU Ping
Deputy Finance Director

Aged 52, graduated from Harbin University of Architecture and Engineering (now known as Harbin Institute of Technology) and obtained a bachelor degree of Accounting and a master degree of Architecture and Economic Management from Harbin University of Architecture and Engineering, senior accountant. Ms. Liu joined the Group in 2005. She has about 28 years' experience in financial management.

Sustainable Development

Pursuing the strategic objective of “becoming an exceptional global property development corporation”, the Group firmly adheres to its sustainability strategy of “Four Excellences” and provides its customers with “Good products and services”, encourages our professional team to improve efficiency, pursues innovation and change, fulfils its corporate social responsibility of being a “Good Citizen” and achieves long-term and persistent “Good Effectiveness”.

SUSTAINABILITY REPORT

During the year, the Group continued to strengthen disclosure transparency and credibility through its eleventh independent Environmental, Social and Governance (ESG) report in compliance with the Code under Appendix C2 of the Hong Kong Stock Exchange, and the Global Reporting Initiative (GRI) Standards and with reference to Task Force on Climate-Related Financial Disclosures (TCFD), Standards of Sustainability Accounting Standards Board (SASB) and the United Nations’ Guide for Business Action on the Sustainable Development Goals (SDGs). The Group invited a third-party verification organisation to conduct independent assurance for the Group’s ESG Report, responding to the expectations of the capital market.

In response to the worldwide concerns about the climate change issues, the Group has complied with the “Recommendations of the TCFD” to manage the climate change and disclose the relevant performances and outcome, as early as 2020. The Group has incorporated climate change risks into its risk management system, formulated and published the “Responding to Climate Change Policy”, completed the climate scenario analysis, and identified the physical risks, transition risks and climate-related opportunities. At the beginning of 2025, the Group issued the “Responding to Climate Change White Paper”, formulating climate adaptation measures with four strategies, including mitigation, control, transfer and acceptance. Additionally, the Group has planned to comprehensively evaluate the feasibility and practical effectiveness of various climate adaptation measures from a financial perspective. The Hong Kong Stock Exchange has revised its Listing Rules to introduce new climate governance disclosure requirements. In response, the Group issued its first dedicated Climate Change Report in accordance with these requirements. This report enhances disclosures across governance responsibilities, strategy (including analyses on various scenarios, risks

and opportunities, as well as financial impacts), risk management, and metrics and targets. The full report will be enclosed in the Group’s “2025 Environmental, Social and Governance Report”.

To strengthen the Board’s involvement in all ESG-related matters, a Board-level Corporate Governance Committee has been established in 2021. The Corporate Governance Committee is responsible for identifying ESG risks, providing long-term direction and strategies on sustainability-related matters, as well as reviewing and monitoring management’s execution of sustainability projects. To support the Corporate Governance Committee, we also established ESG Working Leadership Group, responsible for organising and leading the ESG Taskforces and overseeing the company-wide planning and achieving qualitative and quantitative sustainability targets.

The Group’s ESG measures and management earned extensive recognition from the capital market, with its sustainability ratings continuing to enhance. The Group’s Hang Seng ESG Rating of the Group has been upgraded from A+ to AA-, while it continued to be selected as a constituent of the Hang Seng Corporate Sustainability Index (Top 30 Hong Kong-listed companies with the best ESG performance) and remains the only Chinese real estate enterprise in the index. Its S&P Global Corporate Sustainability Assessment score surged from 61 to 69, maintaining a top position among Chinese real estate companies. The Group was included in the S&P Global 2025 Sustainability Yearbook for the first time, and became the sole Chinese real estate company being included. The Group achieved the best score among Chinese peers in Sustainalytics’ ESG Risk Ratings, and its ranking among global participating real estate companies advanced from the top 10% to the top 3%. Furthermore, the Group’s MSCI ESG Rating remained at A.

The Group won multiple representative awards in the year, including the “Most Honored Company” and industry-first rankings in “Best CEO,” “Best CFO,” “Best ESG,” “Best IR Program,” and “Best IR Team” by Extel (formerly known as “Institutional Investor”); the “Award of Excellence in Corporate Governance” and “Award of Excellence in ESG” from the Chamber of Hong Kong Listed Companies (CHKLC), as well as the “Social Impact Award 2025” and “Directors of the Year Award 2025” from the Hong Kong Institute of Directors (HKIoD).

Sustainable Development (continued)



The Group was awarded both the "Award of Excellence in Corporate Governance" and the "Award of Excellence in ESG" by CHKLC for the first time



Mr. Zhang Zhichao, the Executive Director and Chief Executive Officer, was awarded the "Directors of the Year Award 2025" by HKIoD



Mr. Yan Jianguo, the Chairman and Executive Director, was awarded the "Social Impact Award 2025" by HKIoD

China Overseas Land & Investment

1st Place, Best CEO, CFO, IR Team, IR Program and ESG

Most Honored Company

2025 All-Asia Executive Team



The Group ranked first place in six categories of surveys by Extel (formerly known as "Institutional Investor")

Sustainable Development (continued)

DECARBONISATION TARGETS

The Group has been actively responding to China's "3060" Decarbonisation Targets with the commitment to reducing at least 30% of Scope 1 and 2 carbon emissions intensity per unit area by 2030 (2019 as the baseline year), and striving to achieve carbon neutrality by 2060. To achieve these decarbonisation targets, the Group has established "COLI Carbon Peak and Carbon Neutrality Working Leadership", issued the inaugural Carbon Neutrality White Paper, set out effective programmes such as the Carbon Peak Implementation Plan to promote decarbonisation with practical actions, marching towards the dual carbon goals.



The Group attended the Better House Technology Exhibition

GREEN BUILDING OPPORTUNITIES

During the year, the Group fulfilled its role as a central enterprise by actively participating in the "Good Houses" initiative and launched the "COLI Good Houses Living OS System", which integrates 16 major product systems and focuses on the core housing needs of the people. A practical and executable "COLI Corporate Standard for Good Houses" was formed to fully implement the four key features of "Good Houses": Safe, Comfort, Green, and Intelligent. By the end of 2025, the COLI Good Houses system had been applied in more than 20 projects nationwide, and the Group had obtained a total of 113 green building technology patents; the subsidiaries Tian Shan Company, Shenzhen Haizhichuang Technology Co., Ltd. and Hua Yi Company were recognised with important qualifications such as "Specialised, Refined, Distinctive, and Innovative SME," "National High-Tech Enterprise", and "Advanced Technology Innovation Enterprise", reflecting strong recognition of its innovation capabilities. In addition, the Group won a total of 11 authoritative industry R&D awards in the year, including the China State Construction Technology Award and the China Award for Science and Technology in Construction, effectively transforming innovation momentum into tangible results for high-quality development.

SUSTAINABLE BUILDINGS

The Group has published the Sustainable Development Policy and Environmental Policy, and is committed to integrating green, safety, health, and climate resilience in architectural design, construction, and operation. In order to meet and exceed requirements of environment-related regulations, the Group is dedicated to optimising and implementing internal construction standards of Technical Guidance for Green Building, which is compiled based on Chinese mainland's The Assessment Standard for Green Building as well as the evaluation criteria from the US LEED and WELL. The Group has also published the Low Carbon Office Technological Management Guideline 2024. Additionally, the Group actively promotes the certification of management systems, and has obtained ISO 14001 certification for environmental management systems, together with its subsidiary Lingchao Supply Chain Management Company Ltd., and a commercial project of the Group.

Sustainable Development (continued)

Regarding zero-carbon buildings, since Shenzhen China Overseas Building, Beijing China Overseas Finance Centre and the kindergarten project of Arcadia Bay in Shenzhen were certified as China's first batch of zero-carbon building projects by the China Association of Building Energy Efficiency, the Group's China Overseas Chengdu Tianfu New Area Super High-rise Project and Suzhou China State Construction International Fortune Center have also obtained certifications for ultra-low/near-zero energy consumption buildings. The Group's projects also continued to secure international green building certifications, such as the OFFICEZIP project of China Overseas Fortune Center, Beijing, which received the Group's first WELL Platinum certification and became the first Platinum non-traditional office project in Beijing. By the end of 2025, the Group added 24 new projects meeting the national green building design standards, with 64% of floor area certified at two-star level or above under China's green building certification system. In total, the Group has obtained 697 certifications, including China Green Building Star Certification, U.S. LEED Certification, U.S. BOMA Certification, U.S. WELL Certification, and U.K. BREEAM Certification, with total certified area over 112 million sq m.



Suzhou China State Construction International Fortune Center Ultra-Low Energy Project

In 2025, the Group released the industry's first "Biodiversity Conservation Report," comprehensively outlining its governance, strategy, risk and impact management, as well as indicators and targets for biodiversity protection during project development. The report consolidated a complete framework covering ten key areas, including ecological restoration, eco-friendly design, ancient tree preservation, and pollution prevention, forming the Group's biodiversity protection commitments. This report added an important dimension to the Group's contribution to "sustainable buildings".

SUPPLIER MANAGEMENT

The Group places great emphasis on sustainable supply chain management, established and constantly optimises a series of supplier management systems, including the "Supplier Code of Conduct", the "Guidelines for Management of Central Procurement Suppliers", the "Supplier Performance Scoring Process", and "Partner Management Measures" to encourage suppliers to abide by the code of conduct in ten aspects including environmental protection, corporate ethics, and health and safety. In addition, as an entry qualification, suppliers must hold valid ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, and ISO 45001 Occupational Health and Safety Management System Certification. The Group conducts comprehensive supplier evaluations annually to fully assess supply chain risks. In 2025, the Group's comprehensive supplier evaluation covered 100% of strategic suppliers and reviewed 25 secondary suppliers, all of which achieved a 100% ISO 9001 Quality Management System Certification rate. During the year, the Group identified 6 key suppliers with significant potential negative impacts and terminated cooperation with them.

Sustainable Development (continued)

SUSTAINABLE PROCUREMENT

The Group practices sustainable procurement by formulating and implementing the Sustainable Procurement Policy, incorporating sustainability considerations into every procurement decision, and promoting the use of sustainable materials. During the year, 72.7% of our group's suppliers adopted green standards for procurement. Additionally, the Group launched an initiative among all material suppliers, encouraging them to pursue green certification. In 2025, all 160 central procurement suppliers acquired ISO 14001 Environmental Management System certification. During the year, the Group facilitated 10 (17.5% of total) timber supplier factories in obtaining FSC certification.

SUSTAINABLE PROJECT OPERATION

The Group continues to promote low-carbon and environmentally-friendly operations for owned commercial properties, carrying out energy-saving retrofits, strengthen energy consumption management, and encouraging tenants and residents to participate in various environmental activities and programs. By the end of 2025, the Group had completed 20 EMC energy-saving retrofit projects and 8 BOT heat source retrofit projects, and 6 self-owned commercial photovoltaic power generation projects had been built and put into operation. The Group independently developed the "Energy and Carbon Management Platform", which by the end of 2025 had successfully connected to 65 projects, forming an efficient closed-loop mechanism of "monitorable, verifiable, and assessable" energy management. The Group further incentivized tenant enterprises to adopt dual-carbon building operation management by linking tenants' "carbon account" point balances with various premium benefits, while also promoting the use of the COOC Carbon Inclusive APP. Through diversified carbon point redemption methods, tenants were encouraged to engage in low-carbon practices. By the end of 2025, the COOC Carbon Inclusive APP had over 46,000 registered users with activated "carbon accounts".



The Group's Energy and Carbon Management Platform Dashboard

CUSTOMER SERVICE

The Group regards its customers as the driving force behind the Group's efforts in sustainable development and product innovation. The Group upholds the philosophy of providing full-cycle customer service from project positioning, design, construction, and sales to post-property occupation service; it continues to include customer satisfaction reviews in its performance appraisal, so as to constantly improve its products and services.

We continue to update "COLI Ten Criteria for Good Customer Service 3.0," dynamically optimising service standards and response mechanisms, deeply integrating customer feedback into the management loop. The Group continues to optimise the customer service platform "COLI Homes with Happiness" so as to improve the full-lifecycle customer experience from home viewing to move-in. The Group actively fulfills the promise of "Reliable COLI". The Group delivered over 46,000 residential units with 100% on-time delivery rate, and updated the perfect delivery evaluation system. In 2025, the Group's overall residential customer satisfaction score reached 90, ranking at the 90th percentile in the industry and maintained leadership. The Group's customer satisfaction ranked top 3 among the top 20 peers by sales. The Group was awarded CRIC's "2025 Top 1 of Delivery Capability of Chinese Real Estate" and "Top 2 Chinese Real Estate Brand by Excellent Delivery Capacity in 2025" by E&H Consulting.

Sustainable Development (continued)



CRIC's "2025 Top 1 of Delivery Capability of Chinese Real Estate"



"Top 2 Chinese Real Estate Brand by Excellent Delivery Capacity in 2025" by E&H Consulting

EMPLOYEE DEVELOPMENT

A stable and efficient employee team is the key to a company's success. By taking employees' "talent" and "satisfaction" as two main foci, the Group continuously refines its performance appraisal and remuneration system, the working environment, and networking activities to enhance employees' satisfaction and sense of belonging. As of the end of 2025, the Group employed 3,130 full-time employees with male to female employee ratio of 2.45:1. Also, the Group employed a self-organised sales team of 1,635 people and 1,839 non-core production and service personnel. Employee satisfaction score reached 89, and employee engagement score reached 95, both showing improvement from 2024.

Adhering to the human resources strategy of Diversified and Inclusive Recruitment and Talent Retention and the talent concept of Gathering Hard-workers and Inspiring Talents, the Group has implemented a comprehensive performance management system, and measures the efforts and value creations of each employee in an open, fair and equitable manner. The Group continued to expand recruitment channels to select talents through

three major recruitment brands, namely Sons of the Sea, Sea's Recruits and Stars of the Sea. COLI also carried out specialised training programs such as "Voyage" and "Sailor" for high-potential key personnel. Additionally, the Group's training mainly centered on improving systems, empowering business development and strengthening synergy. By the end of 2025, each employee received 94.6 hours of training on average, on topics including anti-corruption, corporate risk management, compliance management, environmental protection, health and safety, and ESG concepts and practices.



One of the "Golden Lecture" series trainings: Artificial Intelligence: Concepts, Frontiers, Practices, and Challenges

The Group values employees' health and work-life balance and continued to carry out the "521" health care plan for all employees, providing health benefits such as supplementary medical insurance and annual physical examination. In addition, more than 200 health-related activities were organised during the year, including offline consultations, occupational disease therapy, health lectures, and free traditional Chinese medicine clinics. The Group also upgraded and launched the comprehensive employee health platform, integrating core modules including health check-ups, commercial insurance, medical fast-track services, dental care, psychological counseling, and overall wellness management. This significantly enhanced accessibility and convenience of health services for employees.



The Group's Employee Health Platform

Sustainable Development (continued)

CARING FOR THE COMMUNITY AND MAKING CONTRIBUTIONS

The Group participated in the construction of indemnificatory housing and the renovation of shantytowns and took the initiative to be involved in livelihood protection projects. During the year, the Group completed and delivered the Beijing Daji Area dilapidated housing renovation project, with a total construction area of about 450,000 sq m. The planning balanced cultural heritage, functional enhancement, and green low-carbon principles, strictly following the “restore the original appearance” approach for historic sites. The compounds with many households in the original hutongs were transformed into a multifunctional complex integrating heritage courtyards, commerce, office, residences, and public green spaces. Within the project, the Group also built Beijing’s first zero-carbon office building – COLI Financial Center Tower 1. In Hong Kong, the Group actively participates in community development, working closely with the HKSAR Government and various organisations to promote the “Bidding Farewell to Subdivided Housing” campaign. Over the year, 24 transitional housing tours were organised, helping residents improve living quality. At the end of 2025, a No.5 alarm fire broke out at Wang Fuk Court in Tai Po, New Territories. The Group organised donations exceeding HKD 23 million to support emergency relief and post-disaster recovery, helping affected residents overcome difficulties.



Continue advancing the “Bidding Farewell to Subdivided Housing” Campaign

The Group continued to participate in the national rural revitalisation initiative, co-founded the brand “Sea of Hope” with the designated counties to offer consistent industrial and consumption support through a self-sustainable and self-circular model. The Group successfully created nearly ten characteristic agricultural products with cumulative sales of over RMB30 million. During the year, the Group organised over 1,000 “Sea of Hope” charity events across residential sales offices, malls, office buildings and hotels nationwide, reaching millions of customers and homeowners. Regarding rural revitalisation in Gansu Province, the Group invested over RMB4.58 million in total, of which RMB4.08 million was allocated to consumption support.



“Zhuoni Premium” Set



“Children Dreams Together” Charity Mall – Agricultural Support Sale

Sustainable Development (continued)

With our longstanding dedication in the area of caring for the community, environment and employees, and collaborative efforts with business partners to build an inclusive society, the Group has been recognised as “Caring Company” for 17 consecutive years. Under the newly introduced tiered commendation system, the Group was further honoured with the highest distinction “Leading Performance”. Additionally, COLI Caring for the Society Volunteer Association was honoured with the Corporate – Volunteer Hour Certificate of Appreciation for its relentless efforts to contribute to volunteerism. The Group will continue to expand its impacts and fulfill its corporate social responsibility.



Corporate – Volunteer Hour Certificate of Appreciation



The Group awarded “Leading Performance” of the Caring Company Scheme

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Regarding compliance, the Group obtained ISO 37301 Compliance Management System Certification during the year to ensure the robustness of its compliance framework. COLI also organised a Law Awareness Week with the theme “Strengthening the First Line of Defense, Enhancing Business Compliance”, holding 108 legal education activities with 4,835 attendees. On integrity, the Group organised 636 integrity cultural events with the theme of “Clean COLI” across the nation. 8 directors received 12 sessions totaling 91 hours of anti-corruption training. On business ethics, the Group further advanced implementation, auditing and training of responsible marketing, solidified information security and privacy protection systems, and promoted the standardisation and digitalisation of intellectual property management processes.



ISO 37301 Compliance Management System Certification

Sustainable Development (continued)



Visiting the Hong Kong Independent Commission Against Corruption (ICAC)

The Group mainly engages in property investment and development in the PRC, which is under strict regulation. The laws and regulations relating to the Group's operations cover these aspects:

- Establishment of a real estate development enterprise
- Qualification of a real estate developer
- Land for property development
- Sale of commodity properties
- Transfer of real estate
- Mortgages of real estate
- Real estate management
- Measures on stabilizing property prices
- PRC taxation
- Foreign currency exchange
- Labour protection

Major laws or regulations	Issues of concern	Compliance measures
<ul style="list-style-type: none"> • Environmental Impact Assessment Law of the People's Republic of China • Administrative Regulations on Environmental Protection for Construction Projects 	Construction work commencement permit	Environmental impact assessment has been undertaken to ensure that all new projects of the Group undergo a comprehensive review before they are constructed.
<ul style="list-style-type: none"> • Environmental Protection Law of the People's Republic of China • Prevention and Control of Noise Pollution Law of the People's Republic of China • Water Pollution Prevention and Control Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste • Law of the People's Republic of China on the Prevention and Control of Air Pollution • Regulations on the Administration of Construction Project Environmental Protection 	Protection of the environment and preservation of antiquities and monuments	<p>The Group has established a quality assessment system to regulate the construction work process.</p> <p>The Group has appointed a third party supervision unit to provide construction supervision services for its property development projects in Chinese mainland.</p> <p>The Group obtained environmental protection acceptance and inspection approvals for all projects.</p>

Sustainable Development (continued)

RELATIONSHIP WITH KEY CORPORATE STAKEHOLDERS

Inter-departmental communication and cooperation are essential to sustainability management. During the year, the ESG Working Leadership held meetings to review the implementation progress of the 2025 Sustainability Targets, while analysing the gaps between sustainable development initiatives with regulatory and capital market requirements, and reviewing major sustainability issues and the strategic framework to strengthen their integration.

Employee

The Group's employees are located across a number of cities and offices across the PRC. The Group's human resources management policy focuses on two areas:

- Personal development
- Equal opportunity

The Group maintains and strengthens its core competencies through continuous investment in training and development and maintaining workforce diversity. The annual average training hours per employee were 94.6 hours in 2025. Property development is one of the industries with the highest ratio of male employees. In terms of gender distribution, the ratio of male to female employees is approximately 2.45:1. The Group will continue to monitor diversity indicators and encourage female participation in the industry

Customers

The Group builds its brand by offering customer-oriented products and services to customers. With business focused on Chinese mainland, the Group develops a wide variety of medium-to-high-end properties in each region to satisfy the needs of different types of customers. To better understand our customers, the Group has been conducting customer satisfaction surveys on a regular basis. The Group has also established an owners' corporation to serve as a critical communication channel between the Group and its customers and a driving force for the Company's community volunteering efforts. The Group will continue to broaden the range of property products, optimise the project development cycle, enhance property quality and improve customer services, in response to and even exceed the rising expectations of our customers.

Suppliers

The Group's suppliers, most of which are engineering suppliers providing major materials, equipment and services for the Group's property development projects, are located across Chinese mainland. As a quality-based national brand, the Group has been working closely with its suppliers. Through supplier screening, evaluation, annual assessment, other management systems and regular communication, the Group makes every effort to ensure that the suppliers are promoting sustainable management in line with its principles, in addition to sharing its belief in upholding high product quality and integrity-based corporate culture.

Contractors

The Group outsources the construction process of its property development projects to the contractors. The Group maintains a long-term cooperation relationship with the contractors to ensure strong execution capabilities with standardised and scalable property development procedures. The Group has placed and will continue to place significant emphasis on quality control, environmental protection, health and safety over its project development. Through the implementation of integrated assessments, the Group cooperates with contractors to ensure quality control, environmental protection as well as health and safety of property development projects.

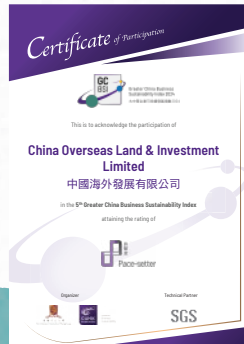
Details of the above will be disclosed in the Group's Environmental, Social and Governance Report to be published in April 2026.

Accolades & Awards 2025



Awards	Institutions
Social Impact Award 2025 Directors of the Year Award 2025	The Hong Kong Institute of Directors
Award of Excellence in Corporate Governance Award of Excellence in ESG	The Chamber of Hong Kong Listed Companies (CHKLC) and Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University
Most Honored Company in Asia property industry Best CEO Best CFO Best ESG Best IR Program Best IR Team	Extel (formerly known as "Institutional Investor") 2025 All-Asia (ex-Japan) Executive Team Survey
Corporate – Volunteer Hour Certificate of Appreciation (500 – 1,999 hours)	Agency for Volunteer Service
14th Junzi Corporation Awards	The Hang Seng University of Hong Kong
2025 ESG Model Enterprise Award	The 4th International Green Zero-Carbon Festival Cum ESG Summit 2025
Rank 6th and attaining the rating of pace-setter	2nd Greater China Real Estate Business Sustainability Index

Accolades & Awards 2025 (continued)



Awards

Institutions

Attaining the rating of pace-setter

3rd Global (Asia Pacific) Business Sustainability Index

Attaining the rating of pace-setter

5th Greater China Business Sustainability Index

Attaining the rating of pace-setter

10th Hong Kong Business Sustainability Index

2025 Best 10 of China Real Estate Developers Brand Value

Shanghai EJU Real Estate Research Institute

2025 Top 1 of Delivery Capability of Chinese Real Estate

CRIC

2025 Model Commercial Office Brand of the Year

Guandian Index Research Institute

2025 China Office Operations Benchmark Enterprise

Beijing China Index Academy

2025 China Office Operator TOP 30

The 7th China Commercial Real Estate Brand Value Summit

Investor Relations

The management and Corporate Communications Department of the Group update investors (including shareholders, bond investors and analysts) on the Group's performance and business operations through various channels. Following the release of interim and annual results, analyst meetings and post results road shows are held to meet with investors, collect opinions and answer queries directly. The Group voluntarily discloses certain unaudited operating and financial data on a quarterly basis, and announces property sales results and new land acquisitions on a monthly basis to improve the transparency of information disclosure.

The Group communicates and connects closely with investors and interacts with them through conferences arranged by investment banks, company visits, conference calls and site visits to property projects. During the year, the Group participated 29 investment conferences/investor group calls, organised 3 investor project site visit and arranged nearly 60 project visits, communicated with more than 500 investors and organised over 20 deal/non-deal roadshow meetings.

With continued development of the Connect programmes between the Hong Kong and mainland China stock market and bond market, the Group maintains regular communications with mainland investors, and further expands into mainland capital market, participating 15 investment conferences and investor group calls organised by mainland brokers. Investors can obtain more information about the Group by clicking on the page "Investor Relations" at the Group's website.



Investor Relations (continued)

MAJOR INVESTOR RELATIONS ACTIVITIES IN 2025

During the year, the Group participated in 29 investment conferences, communicated with more than 500 investors and organised over 20 deal/non-deal roadshow meetings.

Months	Activities
January – March	<ul style="list-style-type: none"> UBS Greater China Conference 2025 Announcement of 2024 annual results – 2024 Annual Results Announcement – Post results roadshows
April – June	<ul style="list-style-type: none"> J.P. Morgan Annual Results Roadshow Online Conference Industrial Securities Overseas Investment Strategy Conference Galaxy Securities International Online Conference Shenwan Hongyuan Securities Corporate Day Morgan Stanley China BEST Corporate Summit BofA Securities 2025 China Investment Summit J.P. Morgan 21st Global China Summit UBS Asia Investment Summit Guosheng Securities Investor Online Conference China Securities 1H2025 Capital Markets Investment Summit Citi 2025 Asia Pacific Real Estate Investment Summit TF Securities 1H2025 Strategy Conference
July – September	<ul style="list-style-type: none"> Soochow Securities Listed Company Boutique Conference Announcement of 2025 interim results – 2025 Interim Results Announcement – Post results roadshows HSBC 12th China Investment Summit TF Securities 2025 Autumn Listed Company Conference Goldman Sachs Asia Leadership Forum 2025 Guosheng Securities Investor Online Conference Shenwan Hongyuan 2025 Autumn Listed Company Conference
October – December	<ul style="list-style-type: none"> The 20th Citi China Summit CITIC Securities Capital Markets Conference 2026 Caitong Securities Strategy Conference 2026 China Securities Capital Markets Summit 2026 Guosheng Securities Strategy Conference 2026 UBS Asia Pacific Financials, Fintech and Real Estate Company Day 2025 J.P. Morgan China & Hong Kong Real Estate Forward-Looking Series Conference Call TF Securities Outlook Strategy Conference 2026 East Money Securities China Overseas Operation Group Meeting Industrial Securities Investment Strategy Conference 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

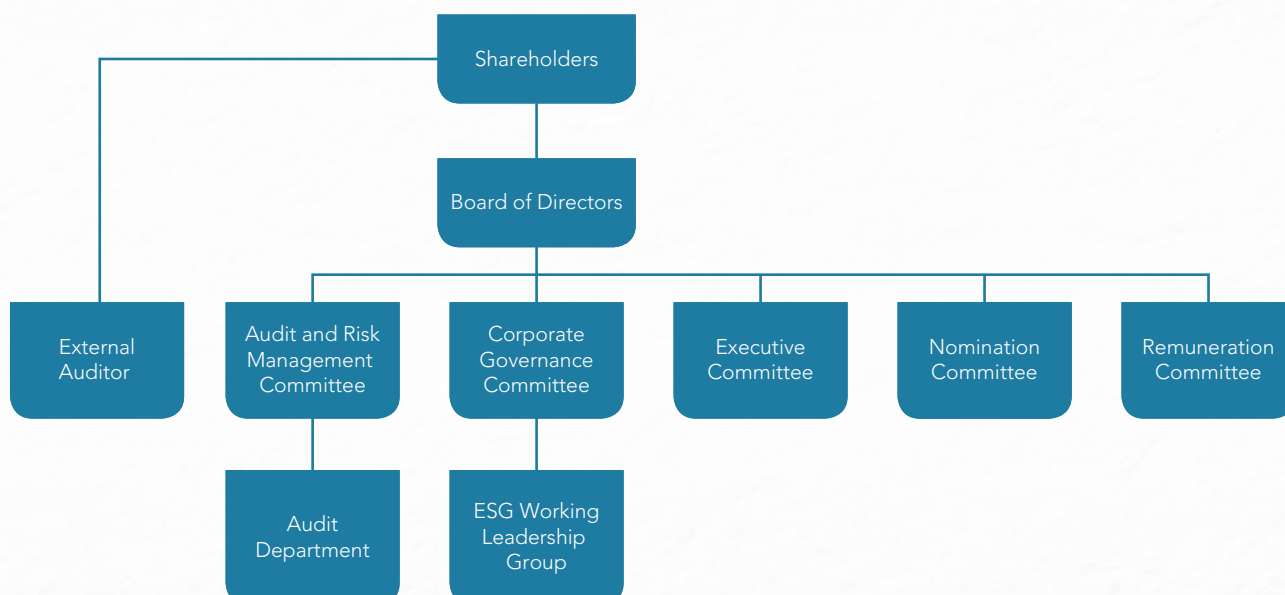
Corporate governance is the system of policies, practices and processes used to direct and manage a business in order to ensure that its objectives are met, and evolves with the business and operating environment. The board (the "Board") of directors of the Company (the "Directors") believes that good corporate governance practices are the keys to attain long-term and sustainable growth of the business and safeguard the interests of its shareholders. The Company strives to strengthen its corporate governance practices appropriate to the conduct and growth of the Group's business, the cornerstone of which is to have an experienced, committed Board and an effective internal control to enhance its transparency and accountability to the shareholders of the Company.

The Company has applied the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") that were in force during 2025.

The Board is of the view that the Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2025. Key corporate governance principles and practices of the Company as well as the status of the Company's compliance with the CG Code are summarised below.

CORPORATE GOVERNANCE STRUCTURE

Our corporate governance structure supports timely and effective decision-making while fostering the development of strong corporate governance practices throughout the Group. An illustrative chart of the core components is set out below:



Corporate Governance Report (continued)

BOARD OF DIRECTORS

Role and Responsibilities of the Board

The Board is responsible for the overall strategic leadership and management of the Group with the objectives of enhancing shareholder value and presenting a balanced, clear and understandable assessment of the Company's performance, position and prospects in the annual and interim reports, announcements and other financial disclosures as required under the Listing Rules, and reports to regulators any information required to be disclosed pursuant to statutory requirements.

Having regard to the best interests of the Company and its shareholders, the Board reviews and approves major matters such as the Company's business strategies, budgets, major investments as well as mergers and acquisitions. In addition, the Board supervises and controls the implementation of strategies of the Company and its operation and financial performance of the Company, formulates appropriate risk control policies and procedures in pursuit of the business strategies of the Group, performs and maintains a high standard of corporate governance of the Company and promotes the communication with its shareholders.

The day-to-day management, administration and operation of the Company are delegated to the Executive Committee and the management team to ensure efficiency. The Board gives clear directions to the management as to their powers and authorities, and circumstances in which the management should report back to the Board and obtain approval from the Board prior to entering into any commitment by the management.

The Board also delegates certain specific responsibilities to five Board committees of the Company, namely the Audit and Risk Management Committee, the Corporate Governance Committee, the Executive Committee, the Nomination Committee and the Remuneration Committee, to implement internal supervision and control on each relevant aspect of the Company. Responsibilities and functions of each Board committee are described below. All the Board committees will report to the Board on their decisions or recommendations made.

Board Composition

As at the date of this report, the Board comprises of a total of eight Directors and the composition of the Board is as follows:

Category	Directors	Length of Tenure	Current Period of Appointment
Executive Directors	Mr. Yan Jianguo (<i>Chairman</i>)	9.3 years	2 years
	Mr. Zhang Zhichao (<i>Chief Executive Officer</i>)	6.1 years	3 years
	Mr. Guo Guanghui	7.8 years	1 year
Non-Executive Directors	Mr. Zhuang Yong (<i>Vice Chairman</i>)	6.1 years	1 year
	Mr. Ma Yao	1.2 years	1 year
Independent Non-Executive Directors	Mr. Li Man Bun, Brian David	13.0 years	1 year
	Professor Chan Ka Keung, Ceajer	5.8 years	2 years
	Dr. Chan Ching Har, Eliza	2.8 years	2 years

The biographical details of the Directors and the relationships among the Directors (if any) are set out in the section headed "Directors and Senior Management" on pages 46 to 52 of this annual report.

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Chairman and Chief Executive Officer

The roles of the Chairman of the Board and the Chief Executive Officer are separate to ensure a balance of power and authority.

Mr. Yan Jianguo is the Chairman of the Board, where he leads and manages its activities. He ensures that all Directors receive accurate, clear, complete and reliable information before meetings and fosters a culture of openness, encouraging diverse opinions for effective decision-making. Additionally, he is responsible for implementing strong corporate governance practices and ensuring effective communication with shareholders, making sure their views are communicated to the entire Board. The Chairman also holds meeting annually with the Independent Non-executive Directors to discuss corporate governance and other matters without other Directors present.

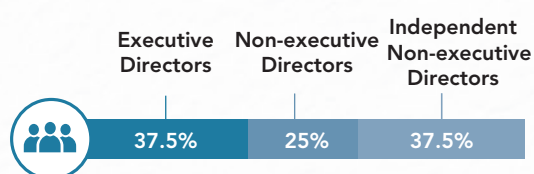
Mr. Zhang Zhichao is the Chief Executive Officer of the Company. He leads the management team to implement the strategies and objectives set by the Board and oversee day-to-day management of the Company's businesses within the powers and authorities delegated by the Board.

Board Diversity

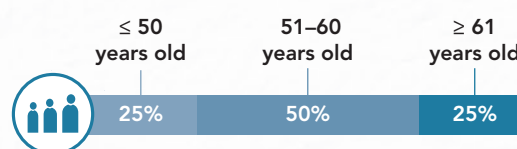
The current composition of the Board reflects an appropriate mix of skills, experience and diversity of perspectives among its members that are relevant to the Company's strategy, governance and business and contribute to the Board's effectiveness.

A skills matrix illustrating the diversity and mix of skills of the Board as at the date of this annual report is set out below:

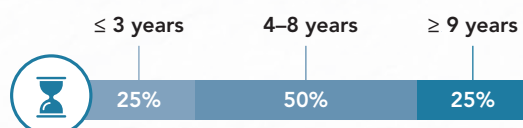
Role



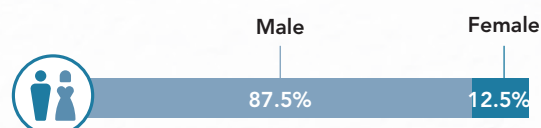
Age Group



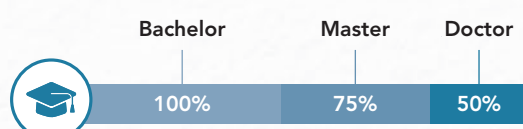
Length of Service



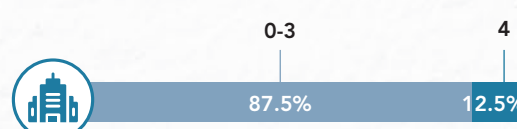
Gender



Academic Qualification



Other Public Company Directorship(s) (Number of Companies)



Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Board Diversity *(continued)*

The Board places importance on having Directors with a broad, relevant range of skills and expertise that match the Group's strategy, governance and business needs. This mix allows the Board to perform its responsibilities effectively and to advance the Group's strategic aims and achieve long-term sustainable growth.

To ensure the Board continues to possess appropriate capabilities, the Nomination Committee undertakes an annual assessment of the Directors' combined skillset. The table below summarises the essential skill mix of our Directors and the experience and expertise they bring to support the Group's sustainable and balanced development.

Skills/expertise	Relevance to the Company	% out of the Directors
Capital management	enhances capital management strategies, corporate finance, investment analysis, asset management and cash flow management	50%
Executive leadership	provides a combination of strategic thinking, strong communication and the ability to inspire and lead teams, fostering a resilient and high-performing organisation	100%
Financial acumen	brings in experience in monitoring business performance, analyzing financial performance, financial ratios and business trends	50%
Industry knowledge and experience	equips the Company with the insights needed to understand its business operations, market dynamics, challenges, competitive landscape and customer behavior, allowing the Company to make well-informed strategic decisions	37.5%
Profession (legal, accounting, engineer)	brings in diverse professional knowledge and expertise, assisting the Board in its decision making	75%
Public services	enhances understanding of regulatory frameworks, community engagement, infrastructure planning, and economic development	50%
Risk management and compliance	brings in ability and experience in implementing, managing and overseeing risk management and internal control systems for legal and regulatory compliance	100%
Strategy	facilitates strategic planning to achieve long-term success and Company's goals	87.5%

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Board Diversity *(continued)*

The combination of the mix of skills, experience and diversity of the Board has provided the competency and diversity of perspectives appropriate to the Company's business that enhances the capability and effectiveness of the Board's decision making process, contributing to the Company's pursuit of strategic goals and commitment to its vision "to be an exceptional global property development corporation".

The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. Since 6 August 2013, the Board has adopted a board diversity policy (the "Board Diversity Policy") in order to achieve a sustainable and balanced development of the Company. In designing the Board's composition, Board diversity takes into account various factors, including but not limited to gender, age, educational background, professional experience, knowledge, culture and length of service. All Board appointments will be based on meritocracy and selection of candidates will be based on a range of diversity factors. The Nomination Committee is responsible for reviewing the Board Diversity Policy annually, making recommendation to the Board of the amendment of this policy and developing measurable objectives for implementing this policy and monitoring progress towards the achievement of these objectives.

The Board currently has one female Director out of eight Directors. Candidates for Board appointments are considered with reference to the Board Diversity Policy and Nomination Policy of the Company and gender will be one factor among a range of diversity factors that will be taken into consideration as a whole. In any event, the Board is committed to maintaining at least one Director of a different gender on the Board to achieve gender diversity. The management team led by the Chairman of the Board has identified appropriate candidates through multiple channels and established a list of potential successors to the Board. Such list will be reviewed and updated from time to time.

The Company also values diversity in its workforce and is committed to creating a free and open work environment enabling all employees to excel at their positions regardless of gender, age or race. Gender diversity can be more challenging due to the nature of the Company's property development business. In any event, the Company strives to maintain an employee male-to-female ratio at not higher than 2.8:1 until 2030, while seeking to improve the new employee male-to-female ratio towards 2:1. During 2025, the total employee male-to-female ratio was 2.45:1, the senior management male-to-female ratio was 11:1, the total employee (excluding senior management) male-to-female ratio was 2.40:1, and the male-to-female ratio for new employees was 2.14:1. For details of the hiring practices and diversity at workforce levels (including senior management), please refer to the Company's 2025 Environmental, Social and Governance Report.

During the year, the Nomination Committee reviewed the implementation and effectiveness of the Board Diversity Policy and confirmed that the Board has an appropriate mix of skills and experience to deliver the Company's strategy, and that the Board Diversity Policy is effective.

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Board Independence

The Company recognises that Board independence is critical to good corporate governance and is a key to an effective Board. Mechanisms have been put in place and regularly reviewed on an annual basis to ensure independent views are available to the Board, including:

- sufficient number of Independent Non-executive Directors representing one-third of the Board;
- regular disclosure of time commitment of Directors to the Company;
- established a clear process and criteria under the Nomination Policy and the Board Diversity Policy for nomination of a candidate for directorship in the Company;
- full disclosure of conflict of interests, if any, in proposals or transactions to be considered by the Board at Board meetings;
- ready access to senior management or external independent professional advice at the Company's expenses to assist the Independent Non-executive Directors to perform their duties;
- separate discussions amongst the Independent Non-executive Directors and the Chairman of the Board without the presence of the Executive Directors;
- annual written confirmation of independence by the Independent Non-executive Directors and annual assessment by the Nomination Committee on the Directors' independence; and
- regular evaluation of independence of the Independent Non-executive Directors by the full Board.

During the year, the Company has at all times met the requirements of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board, including at least one independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. During the year, the Company has three Independent Non-executive Directors representing more than one-third of the Board.

All Independent Non-executive Directors are financially independent from the Group bringing in independent view and judgement, a wide range of business and financial expertise, knowledge and experience to the Group's affairs. The Board considers that there is a reasonable balance between the composition of the Executive Directors and the Non-executive Directors which has provided adequate checks and balances for safeguarding the interests of the shareholders of the Company.

Mr. Li Man Bun, Brian David ("Mr. Brian Li") has been serving as an Independent Non-executive Director for more than nine years. The Directors opine that he has consistently demonstrated the required character, integrity, independence and experience to discharge the duties of an independent non-executive director. Furthermore, the Directors consider that there is no evidence that length of tenure has an adverse impact on independence of the Independent Non-executive Director and the Directors are not aware of any circumstances that might influence Mr. Brian Li in exercising his independent judgement. Mr. Brian Li maintains an independent view of the Company's affairs and bring his relevant experience and knowledge to the Board. In any event, Mr. Brian Li resigned as an Independent Non-executive Director with effect from 25 June 2026 and Mr. Li Man Kiu, Adrian David has been appointed as an Independent Non-executive Director with effect from 25 June 2026. Immediately thereafter, none of the Directors on the Board will have served the Board for more than nine years.

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Board Independence *(continued)*

The Company has received annual written confirmation of independence from each of the Independent Non-executive Directors as regards the factors set out in Rule 3.13 of the Listing Rules. None of them holds cross-directorships or has significant links with other Directors through involvements in other companies or bodies. The Board considers that all Independent Non-executive Directors are independent of the Company.

Appointment, Re-Election and Removal

In accordance with the articles of association of the Company, one-third of the Directors will retire from office by rotation for re-election by shareholders at the annual general meeting and every Director is subject to retirement by rotation at least once every three years. In addition, any newly appointed Director is subject to re-appointment by shareholders at the next following annual general meeting.

All of the Directors (including Non-executive Directors and Independent Non-executive Directors) are not appointed for a specific term according to their service of contract and/or letter of appointment but they are subject to retirement by rotation and re-election once every three years in accordance with the articles of association of the Company.

In addition, the Nomination Committee will generally oversee the appointment or re-appointment of Directors and the succession planning of the Board, having due regard to the Board Diversity Policy and the Nomination Policy of the Company as summarised in the sections headed "Board Composition and Diversity" and "Nomination Committee" respectively in this Corporate Governance Report. The Board will also consider each retiring Director recommended by the Nomination Committee and recommend the retiring Director to stand for re-appointment at the annual general meeting in accordance with the articles of association of the Company.

Directors' Securities Transactions

The Company has adopted a set of code of conduct for securities transactions by Directors ("Code of Conduct") on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers. Having made specific inquiries to all Directors, they confirmed that they have complied with the Code of Conduct throughout the year 2025.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover in respect of legal action against Directors and officers of the Company.

Supply of and Access to Information

For regular Board meetings and Board committee meetings, the agenda and accompanying Board papers are sent in full to all Directors or Board committee members at least three days before the intended date of a Board meeting or Board committee meeting.

Management has supplied the Board and its committees with adequate, complete and reliable information and explanations so as to enable them to make an informed assessment of the financial and other information put before the Board and its committees for approval. Management will answer any questions that the Board or committee members may have, and is also invited to join the Board or Board committee meetings where appropriate.

All Directors are also entitled to have access to timely information such as monthly updates in relation to the Group's businesses and have separate and independent access to senior management of the Company.

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Directors' Training

All Directors have a fiduciary duty and statutory responsibilities towards the Company and the Group. Every newly appointed Director will receive an induction on the first occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the operations and business of the Company, and his/her responsibilities under laws, regulations and particularly the governance policies of the Company. Mr. Ma Yao, a Non-executive Director appointed on 22 January 2025, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 20 January 2025 and has confirmed he understood his obligations as a director of the Company.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

The Company makes available continuous professional development opportunities and site visit to the Group's properties for all Directors at the expense of the Company so as to keep them abreast of industry trends and the Company's operations.

According to the training records provided by the Directors to the Company, all of the Directors participated in continuous professional development in 2025 which comprised attending seminars and web-based courses, reading reference materials and site visit. Details of the type of training they received during the year are summarised as follows:

Name of Directors	Topic and Format						Completed Ongoing Director Development of more than 20 hours
	Directors' Roles and Duties	Legal and Regulatory Development	Corporate Governance and ESG	Risk Management and Internal Controls	Industry and Business Updates	Site Visit	
Mr. Yan Jianguo	●	●	●	●	●	●	✓
Mr. Zhang Zhichao	●	●	●	●	●	●	✓
Mr. Guo Guanghui	●	●	●	●	● ●	●	✓
Mr. Zhuang Yong	●	●	●	●	●	●	✓
Mr. Ma Yao <i>(appointed w.e.f. 22 January 2025)</i>	●	● ●	●	● ●	● ●	●	✓
Mr. Li Man Bun, Brian David	●	● ●	●	● ●	● ●	–	✓
Professor Chan Ka Keung, Ceajer	●	●	●	●	● ●	–	✓
Dr. Chan Ching Har, Eliza	● ●	●	● ●	●	● ●	–	✓

Remarks:

- attending seminars or web-based courses
- self-reading materials published by external professional firms/regulatory bodies/academic organisations
- visiting the Company's project(s)

Corporate Governance Report (continued)

CORPORATE STRATEGY, BUSINESS MODEL AND CULTURE

The Board takes a leading role in developing the corporate culture, which aligns with the purpose, values and strategy of the Company. The Group embraces the corporate culture of “leading”, which means constantly surpassing limits, leading industry trends, and dauntlessly breaking new ground and strives to achieve its strategic goal of “to be an exceptional global property development corporation”, expanding and creating better livings around its principal business of property development and operation, continually strengthening its three major businesses – Property Development, Urban Services and Design Services.

Built on more than 45 years of development experience and having braved the challenges of numerous economic and real estate cycles, the Group cleaves to a long-term market perspective in planning the development of the enterprise. Steady and sustained long-term growth has been the Group’s strategy and action guide for the past years and will remain so for the years ahead.

The Group firmly believes the measure of a good business is whether it qualifies as “a Company of Four Excellences”, offering “Good Products and Good Services”, and demonstrating “Good Effectiveness and Good Citizen”. The Group will maintain its strategies and stay committed to its vision “to be an exceptional global property development corporation”, firmly adhere to its operating philosophy of “Good Products, Good Services, Good Effectiveness and Good Citizen”, maintain its positioning in major cities, mainstream areas and mainstream products, and maintain the strategic structural balance of “today, tomorrow, and the day after tomorrow”, where residential development, commercial assets management, together with new businesses including senior living, education and logistics, are the Group’s main businesses of today, the growth drivers of tomorrow, and will spur growth the day after tomorrow.

Our corporate values adhere to the principles of acting with propriety and integrity, strictly complying with rules, seeking truth and being honest and pragmatic. The Board is responsible for overseeing our ethics issues, conduct and affairs for promoting the success of the Group for the benefit of our shareholders and stakeholders. The Company has a set of clear Corporate Code of Conduct to ensure the Company operates to the highest standards of ethical conduct with integrity and professionalism and all staff are required to strictly follow the Corporate Code of Conduct. For details on the Corporate Code of Conduct, please refer to the Company’s 2025 Environmental, Social and Governance Report (“2025 ESG Report”).

During the year, the Board reviewed the key areas of progress of how the Company achieves “Good Products, Good Services, Good Effectiveness and Good Citizen”, which details have been disclosed in the Company’s 2025 ESG Report.

Details of the Group’s strategy, business and financial review in the year 2025 are set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report.

Corporate Governance Report (continued)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for preparing the financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. The Company's financial statements are prepared in accordance with the relevant laws and standards. Appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable. The Directors endeavour to ensure that a balanced, clear and understandable assessment of the Company's position and prospects are presented in annual reports, interim reports, announcements and other disclosures required under the Listing Rules and other statutory requirements.

Risk Management and Internal Controls

The Board has the overall responsibility for maintaining an appropriate and effective risk management and internal control systems and for evaluating and determining the nature and extent of the risks that the Company is willing to take when achieving the Company's business objectives. The Board delegates to the management the design, implementation and ongoing assessment of the risk management and internal control systems, and through the Audit and Risk Management Committee oversees and reviews the adequacy and effectiveness of the risk management and internal control systems.

Details of the main feature of the risk management and internal control systems including the risk management structure, the risk management process and the management of principal risks are set out in the "Risk Management and Internal Controls Report" of this annual report.

DELEGATION BY THE BOARD

Board Proceedings

The Board meets regularly, and at least four times each year with meeting dates scheduled in advance to facilitate the attendance by the Directors. The Board held four meetings during the year and meetings were also held as and when necessary to discuss significant transactions, including material acquisitions, disposals and connected transactions, if any. Also, the Board discussed the corporate governance duties performed by it including, without limitation, to review the Company's policies and practices on corporate governance, and compliance with legal and regulatory requirements. The attendance of each Director at meetings of the Board and its committees is set out in the table on page 85 of this annual report.

Notice of at least fourteen days is served for regular Board meetings and reasonable notice is given for all other Board meetings. The Chairman of the Board, assisted by the Company Secretary, is responsible for drawing up and approving the agenda for each Board meeting. Agendas and accompanying Board papers in sufficient details are circulated at least three days before the intended date of meetings so as to allow the Directors have sufficient time to prepare before meetings. Management briefing sessions will also be scheduled as and when necessary. Directors are also invited to inform the Chairman or the Company Secretary if they intend to include discussion items in the agenda for Board meetings.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Board Proceedings *(continued)*

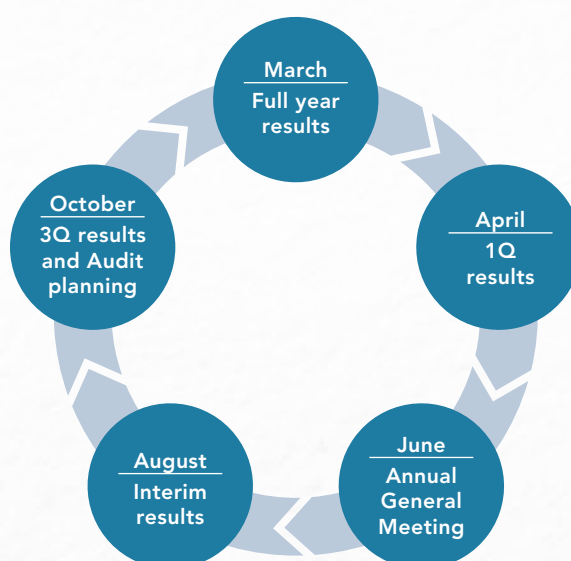
Within a reasonable time after meetings, draft and final versions of all minutes for Board meetings and committee meetings will be sent to all Directors and committee members for review. The approved minutes are kept by the Company Secretary, and the Board and committee members may inspect the documents at any time.

The proceedings of the Board meetings apply to the meetings of each Board committee.

All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that the Company has followed procedures and complied with all applicable laws and regulations. Where necessary, Directors can seek separate independent professional advice at the Company's expenses so as to discharge their duties to the Company.

To safeguard independence of the Directors, Directors are required to declare their interest, if any, in any business proposals to be considered by the Board and, where appropriate, they are required to abstain from voting if a Director has a conflict of interest in any matter to be considered by the Board. In addition, physical Board meetings (with the attendance of Independent Non-executive Directors who have no material interest in the transactions) will be held to consider all material connected transactions or any transactions involving substantial shareholder's or Director's material interest. If considered appropriate, Independent Non-executive Directors will take the lead in such meeting.

Currently, the Board has set up five committees, namely the Audit and Risk Management Committee, the Corporate Governance Committee, the Executive Committee, the Nomination Committee and the Remuneration Committee in compliance with the Listing Rules. Each committee has its own defined scope of duties and terms of reference. The terms of reference of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee are available on the websites of the Company and the Hong Kong Stock Exchange. The Company Secretary shall also make available the terms of reference of all the committees to any shareholder upon request. Sufficient resources are provided to each committee to discharge its duties. Where necessary, the committees can seek independent professional advice at the Company's expenses to perform their responsibilities.



Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Executive Committee

The Executive Committee comprises all Executive Directors of the Company, namely Mr. Yan Jianguo, Mr. Zhang Zhichao and Mr. Guo Guanghui. The Executive Committee is chaired by Mr. Yan Jianguo.

The principal duties of the Executive Committee are as follows:

- To review and approve loans or banking facilities to be granted to the Company, its subsidiaries, jointly controlled entities and associated companies and the opening of bank or securities related accounts matters;
- To review and approve financial instruments to be issued by the Company, its subsidiaries, jointly controlled entities and associated companies;
- To review and approve grant of loan or other financial assistance to the Company's jointly controlled entities and/or associated companies;
- To review and approve provision of corporate guarantees, indemnity and/or letter of comfort by the Company for its subsidiaries, jointly controlled entities and/or associated companies;
- To review and approve land auctions or tenders, and contracts in the ordinary and usual course of business of the Company; and
- To deal with any other specific business delegated by the Board.

The Executive Committee will report to the Board on a regular basis and the resolutions passed by the Executive Committee from time to time shall be tabled for the information of all Directors at the Board meetings.

During the year, the Executive Committee held two meetings and primarily passed resolutions by way of written resolution to (amongst other matters) review and approve:

- various bank loans and facilities;
- provision of corporate guarantee for the subsidiaries, jointly controlled entities and/or associated companies of the Company;
- land auctions and contracts in the ordinary and usual course of business of the Company; and
- listed securities and corporate bonds issued by the subsidiaries of the Company.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Audit and Risk Management Committee

The Audit and Risk Management Committee currently comprises three members, namely Mr. Li Man Bun, Brian David, Professor Chan Ka Keung, Ceajer and Dr. Chan Ching Har, Eliza, all of whom are Independent Non-executive Directors. The Audit and Risk Management Committee is chaired by Mr. Li Man Bun, Brian David.

The principal duties of the Audit and Risk Management Committee are as follows:

- To review and monitor the integrity of the financial information of the Group;
- To review the financial control, risk management and internal control systems of the Company; and
- To oversee the matters relating to the external auditor.

The Audit and Risk Management Committee held four meetings during 2025 and reviewed:

- the Group's annual financial statements for the year ended 31 December 2024, and interim and quarterly results for the year ended 31 December 2025;
- the audit plans from the internal auditor and the external auditor;
- the audit approach and methodology applied to the audit process, the areas of audit emphasis and the impact of the new and revised accounting standards on the Company's financial statements;
- the internal and independent audit results;
- the external auditor's independence and scope of provision of non-audit services;
- the re-appointment of the external auditor and their remuneration;
- the adequacy and effectiveness of the internal audit, risk management, internal control and financial reporting systems through the review of the findings and recommendations of the internal auditor and the external auditor and reports from the management;
- the major investigations findings on risk management and internal control matters;
- the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions; and
- the continuing connected transactions and their annual caps.

The Audit and Risk Management Committee also met with the external auditor at least twice a year in the absence of management to discuss matters relating to any issue arising from audit and any other matters the auditor may wish to raise.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Remuneration Committee

The Remuneration Committee currently comprises three members, namely Professor Chan Ka Keung, Ceajer, Mr. Li Man Bun, Brian David and Dr. Chan Ching Har, Eliza, all of whom are Independent Non-executive Directors. The Remuneration Committee is chaired by Professor Chan Ka Keung, Ceajer.

The principal duties of the Remuneration Committee are as follows:

- To make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management;
- To make recommendations to the Board on the remuneration packages of the Directors of the Company and senior management in consultation with the Chairman of the Board;
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- To review and approve matters relating to share schemes under the Listing Rules.

The Remuneration Committee held one meeting and passed resolutions by way of written resolution during 2025 and reviewed:

- the remuneration policy and structure of the Group;
- the remuneration package of all Directors of the Company and the senior management and employees of the Group;
- the discretionary bonus of the senior management of the Company and the employees of the Group; and
- the remuneration package of the Non-executive Director newly appointed during the year.

The primary goal of the Company's Director and Employee Remuneration Policy is to provide a fair and competitive remuneration package to attract, retain and motivate the Directors and employees of the Company in line with the long-term business strategy of the Company and the interests of the shareholders of the Company.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Remuneration Committee *(continued)*

Subject to the compliance with relevant laws and regulations and with reference to market research and conditions, Executive Directors' and employees' remuneration package comprises the following fixed and variable components:

Components	Determining Factors
<u>Fixed remuneration</u>	
Basic salary	<ul style="list-style-type: none"> salaries paid by comparable companies Executive Directors' and employees' performance and contribution, time commitment, responsibilities, employment conditions the Company's operating performance
<u>Variable remuneration</u>	
Discretionary bonus	<ul style="list-style-type: none"> the Company's operating performance and profitability Executive Directors' and employees' performance and contribution
Share options	<ul style="list-style-type: none"> the Company's operating performance and profitability Executive Directors' and employees' performance and contribution on and subject to the relevant share option scheme and the requirements of the Listing Rules

The remuneration of Non-executive Directors (including the Independent Non-executive Directors), comprising the Directors' fees, is determined with reference to their respective duties and responsibilities with the Company, the Company's standard for emoluments and the prevailing market conditions and remuneration paid by comparable companies.

The Company will seek shareholders' approval in its annual general meeting to authorise the Board to fix the remuneration of Directors. No Director was involved in determining his/her remuneration.

Details of Directors' remuneration for 2025 are set out in note 10 to the financial statements.

The remuneration of the senior management by band for the year ended 31 December 2025 is set out below:

Remuneration bands <i>(RMB)</i>	Number of individuals <i>(Note)</i>
2,500,001 to 3,000,000	9
3,000,001 to 3,500,000	2

Note: exclusive of a senior management who is appointed in 2026.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Nomination Committee

The Nomination Committee currently comprises three members, namely Dr. Chan Ching Har, Eliza, Mr. Li Man Bun, Brian David and Professor Chan Ka Keung, Ceajer, all of whom are Independent Non-executive Directors. The Nomination Committee is chaired by Dr. Chan Ching Har, Eliza.

The principal duties of the Nomination Committee are as follows:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board and assist the Board in maintaining a board skills matrix;
- To support the evaluation of the Board's performance;
- To identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships;
- To assess the independence of Independent Non-executive Directors; and
- To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee held two meetings during 2025 and reviewed:

- the structure, size and composition of the Board;
- the implementation and effectiveness of the Board Diversity Policy and the Board Independence mechanisms;
- the appointment of Mr. Ma Yao as a Non-executive Director;
- the re-election of the retiring Directors at the annual general meeting; and
- the independence of the Independent Non-executive Directors.

Corporate Governance Report (continued)

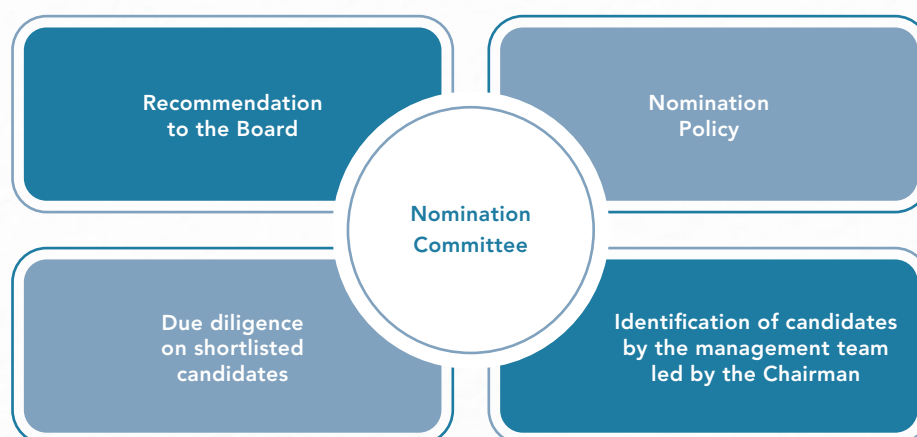
DELEGATION BY THE BOARD *(continued)*

Nomination Committee *(continued)*

In respect of selecting individual to be nominated or re-elected as Director, the Nomination Committee will have regard to the Board Diversity Policy and the Procedure Regarding Appointment, Election and Removal of Directors of the Company (equivalent to the nomination policy of the Company and hereafter referred to as "Nomination Policy"). The nominee shall satisfy the requirements as set out in the Listing Rules including that the nominee should have the character, experience and integrity and be able to demonstrate a standard of competence commensurate with his or her position as a Director.

Based on the formalised process and procedure of nominating a director regulated under the Nomination Policy of the Company, the management team led by the Chairman of the Board will identify a wide and diverse range of candidates from various backgrounds that would be attributable to the business needs and carry out a due diligence on the shortlisted candidates. A comprehensive review will be presented to the Nomination Committee who will further discuss and assess the suitability of the candidates against a range of criteria from an independent perspective in accordance with the Board Diversity Policy, and make recommendation to the Board.

During the year, the Nomination Committee reviewed the qualifications, experience, background and the core competencies in the field of relevant industry knowledge of the Directors in accordance with the Nomination Policy and the Board Diversity Policy and also the time commitment and contribution to the Board by the Directors. Based on the aforesaid, the Nomination Committee is of the view that the Directors are able to discharge their respective responsibilities effectively. The Nomination Committee and the Board are satisfied that the Board has the appropriate mix of diverse, experience and skills, and recommended the shareholders to re-elect Mr. Guo Guanghui, Mr. Zhuang Yong, Mr. Li Man Bun, Brian David as Directors at the annual general meeting held on 25 June 2025. Also, at the recommendation of the Nomination Committee, the Board appointed Mr. Ma Yao as Non-executive Director with effect from 22 January 2025.



Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Corporate Governance Committee

The Corporate Governance Committee currently comprises three members, namely Professor Chan Ka Keung, Ceajer, Mr. Li Man Bun, Brian David and Dr. Chan Ching Har, Eliza, all of whom are Independent Non-executive Directors. The Corporate Governance Committee is chaired by Professor Chan Ka Keung, Ceajer.

The principal duties of the Corporate Governance Committee are as follows:

- To develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- To review and monitor the training and continuous professional development of the Directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company; and
- To perform the duties in respect of environmental, social, and governance ("ESG") related issues of the Group under the Listing Rules.

The Corporate Governance Committee held two meetings during 2025 and reviewed:

- the Company's policies and practices on corporate governance, the Company's compliance with the CG Code and the satisfaction of the duties of the Corporate Governance Committee set out above;
- the implementation and effectiveness of the Shareholders' Communication Policy;
- the ESG Report for the year 2024; and
- the work done in respect of the ESG related issues for the first half of the year 2025 and the work plan for the year 2025.

The Board has the overall responsibility for effective corporate governance and oversight of ESG matters. To ensure the effectiveness of sustainability management and implement sustainability management policies and measures systematically, the Company has formulated the Measures for Environmental, Social and Governance Management to clearly define the role and responsibilities and reporting mechanism for sustainability affairs.

The Corporate Governance Committee is responsible for providing long-term direction and strategies on sustainability-related matters, identify ESG risks (including climate-related risks), and review and monitor management's execution of sustainability projects. To support the Corporate Governance Committee, the Company has established an ESG Working Leadership Group, and the ESG strategic framework under the framework of being "a Company of Four Excellences", for planning and achieving qualitative and quantitative sustainability targets, which covered from green building area, air quality testing, customer satisfaction, employee satisfaction, employee training, carbon emissions to energy consumption density.

For detailed discussions on the Group's ESG policies and performance, please refer to the Company's 2025 ESG Report.

Corporate Governance Report (continued)

ATTENDANCE RECORDS

To ensure that the Directors have spent sufficient time on the affairs of the Company, the Directors are required to disclose to the Company once a year the number and nature of their other offices held in Hong Kong or overseas listed public companies and other significant commitments, as well as an indication of the time involved in those positions. In addition, the Directors usually inform the Company promptly whenever there are changes regarding their other positions. During the year, no Director held more than five listed company directorship (including the Company).

The Board was satisfied that the Directors had positively contributed to the Board through active participation in the Company's affairs as reflected in their high attendance record on the Board meetings, Board committees meetings and annual general meeting held in 2025 as set out in the following table:

Name of Directors	Actual Attendance/Number of Meetings a Director was entitled to attend						
	Board Meetings	Executive Committee Meetings	Audit and Risk Management Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Corporate Governance Committee Meetings	Annual General Meeting
Mr. Yan Jianguo	4/4	2/2	N/A	N/A	N/A	N/A	1/1
Mr. Zhang Zhichao	4/4	2/2	N/A	N/A	N/A	N/A	1/1
Mr. Guo Guanghui	4/4	2/2	N/A	N/A	N/A	N/A	1/1
Mr. Zhuang Yong	2/4	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Zhao Wenhai (<i>resigned w.e.f. 22 January 2025</i>)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Ma Yao (<i>appointed w.e.f. 22 January 2025</i>)	4/4	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Li Man Bun, Brian David	4/4	N/A	4/4	1/1	2/2	2/2	1/1
Professor Chan Ka Keung, Ceajer	4/4	N/A	4/4	1/1	2/2	2/2	1/1
Dr. Chan Ching Har, Eliza	4/4	N/A	4/4	1/1	2/2	2/2	1/1

BOARD EVALUATION

The Board recognises the importance and benefit of conducting regular evaluations of its performance to ensure effectiveness. Since 2022, the Board evaluation process was formalised, by adopting a board evaluation questionnaire for the full Board as well as Board Committees every two years.

In October 2024, a review of the performance of the Board and each of the Board committees was conducted internally through an anonymous online questionnaire to each Director, seeking views and feedbacks on the overall performance of the Board and its committees, its role, responsibilities, skills and composition, conduct of Board and committee meetings, provision of information, culture and boardroom behaviours and areas for improvement. The responses and comments from all Directors were presented to the Board. The evaluation results indicated that the Board and its committees continue to operate effectively, and the committees fulfilled their duties as set out in their terms of reference. An action plan has been developed to enhance the frequency of meeting between the Chairman and the Independent Non-executive Directors, and to arrange a broader scope of regular training to Directors. There were no other material issues identified. The next review of the Board's performance will be conducted in 2026.

Corporate Governance Report (continued)

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to maintain an on-going and open dialogue with current and prospective, and both individual and institutional shareholders of the Company. A Shareholders' Communication Policy was adopted throughout the year pursuant to the CG Code which aims at establishing a two-way relationship and communication between the Company and its shareholders.

Apart from reporting to the shareholders and investors on its operation and financial conditions semi-annually and annually, the Company also discloses relevant operational data monthly and quarterly so that the investors can have a better understanding about the Company's operations and allow for a fair and balanced outlook of the Company and industry to the market.

The Company views general meetings as an essential mean of conducting a dialogue with individual shareholders. All shareholders are given sufficient advance notice of the general meeting(s). Shareholders of the Company are encouraged to attend the general meetings of the Company which provide a useful forum for exchanging views with management of the Company. A separate resolution would be proposed by the Chairman in respect of each substantial issue at the general meetings. All Directors (including the Non-executive Directors) are invited to the general meetings. The Chairman of the Board and the chairpersons of the Audit and Risk Management Committee, the Corporate Governance Committee, the Nomination Committee and the Remuneration Committee, or in their absence, other members of the relevant committees, are available at the general meetings to answer questions from shareholders on the business of the Group. The Company's management ensures the external auditors attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditors' independence.

To further enhance minority shareholders' rights, the Company has conducted all voting at the general meetings by poll. Detailed procedures for conducting the poll are explained clearly at the beginning of the general meeting. The share registrar and transfer office of the Company will also be appointed as scrutineer for the poll at the general meetings. Poll results will be posted on the Company's website and the Hong Kong Stock Exchange's website after each general meeting.

Apart from participating in the Company's general meetings, the Company has adopted an Inside Information Disclosure Policy which provides guidance on the disclosure of material information to all shareholders. Shareholders may also send their specific enquiries requiring the Board's attention to the Company Secretary. Other general enquiries can be directed through the Company's investor and public relations' designated contacts, email addresses and enquiry lines as set out in the "Corporate Information" section on page 3 of this annual report.

Effective engagement with investors and timely disclosure are key components of good corporate governance. The Company also holds regular meetings with financial analysts and investors, organises various roadshows, media interviews and marketing activities, during which the Company's management will provide relevant information and data to the analysts, fund managers and investors, as well as answer their enquiries in a prompt, complete and accurate manner while at all times respecting the relevant regulations restricting the disclosure of inside information. The Company's website is updated continuously, providing up-to-date information regarding latest development of the Company.

Corporate Governance Report (continued)

COMMUNICATION WITH SHAREHOLDERS *(continued)*

Set out below is the summary of engagement conducted with shareholders during the year:

Engagements	2025 highlights
Virtual annual general meeting	<ul style="list-style-type: none"> All Directors attended the AGM Shareholders can vote online and submit questions online High voting approval rate on resolutions considered
Investor meetings (led by Chairman, CEO, vice president and Investor Relations Department)	<ul style="list-style-type: none"> Conducted over 20 non-deal roadshows Roadshows with investors in Hong Kong, Chinese Mainland, the United States, Singapore and Australia etc. Attended by over 200 analysts and institutional investors
Analyst Briefings (led by Chairman, CEO and vice president)	<ul style="list-style-type: none"> Covering the Company's annual and interim results Attended by over 300 analysts and institutional investors
Investment conferences (led by Investor Relations Department)	<ul style="list-style-type: none"> Participated in over 20 investment conferences Communicated with over 500 institutional investors

During 2025, major areas of interest for investors included industry outlook and policies, operational and financial updates of the Company.

The Company will evaluate the effectiveness, adequacy and outreach of the shareholder engagements above and identify areas for improvement. Any feedback, questions and suggestions collected from the shareholder engagements will be considered by the Company's management. The Company will look into appropriate practical actions and/or enhancement in disclosures and communication to address any concerns put forward by the shareholders.

During the year, the Corporate Governance Committee reviewed the Shareholders' Communication Policy through the analysis of the recent capital market situation, the shareholders' structure of the Company and the above communication carried out with the shareholders and the investors. Based on the aforesaid, the Board concurred with the view of the Corporate Governance Committee, and concluded that the Shareholders' Communication Policy is effective.

Corporate Governance Report (continued)

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene a General Meeting

Shareholder(s) of the Company can request the Directors to convene a general meeting pursuant to section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") by fulfilling the conditions below:

- (i) One or more shareholder(s) in aggregate holding not less than 5% of the total voting rights of the Company carrying the right to vote at general meetings may send request(s) to the Company in hard copy form or in electronic form.
- (ii) Such request(s):
 - (1) Must state the general nature of the business to be dealt with at the meeting;
 - (2) May include the text of a resolution that may properly be moved and is intended to be moved at the meeting;
 - (3) May consist of several documents in like form; and
 - (4) Must be authenticated by the person or persons making it.

Procedures for Shareholders to Put Forward Proposals at General Meetings

- (i) The procedures for proposing candidate(s) for election as Director(s) at a shareholders' meeting are set out in the Corporate Governance section of the Company's website.
- (ii) Shareholder(s) can request the Company to circulate a statement (or notice of a resolution that may properly be moved and is intended to be moved at the annual general meeting) to members of the Company entitled to receive notice of a general meeting (or annual general meeting, where applicable), in pursuance of section 580 (or section 615, in the case of annual general meeting) of the Companies Ordinance subject to the following:
 - (1) The statement should be of not more than 1,000 words and with respect to:
 - (a) A matter mentioned in a proposed resolution to be dealt with at that meeting; or
 - (b) Other business to be dealt with at that meeting.
 - (2) Each shareholder may only request the Company to circulate:
 - (a) One such statement with respect to the resolution mentioned in (1)(a) above; and
 - (b) One such statement with respect to the other business mentioned in (1)(b) above.

Corporate Governance Report (continued)

SHAREHOLDERS' RIGHTS *(continued)*

Procedures for Shareholders to Put Forward Proposals at General Meetings *(continued)*

(ii) *(continued)*

- (3) Such request(s) has to be sent by the shareholders who have a relevant right to vote and fulfill the conditions below:
- (a) Shareholders representing at least 2.5% of the total voting rights of all the shareholders who have a relevant right to vote; or
 - (b) At least 50 shareholders.

Relevant right to vote means:

- (a) In relation to a statement with respect to a matter mentioned in a proposed resolution, a right to vote on that resolution at the meeting to which the requests relate;
 - (b) In relation to any other statement, a right to vote at the meeting to which the requests relate; and
 - (c) In relation to notice of a resolution, a right to vote on the resolution at the annual general meeting to which the requests relate.
- (4) Such request(s):
- (a) May be sent to the Company in hard copy form or in electronic form;
 - (b) Must identify the statement (or notice, in the case of annual general meeting) to be circulated;
 - (c) Must be authenticated by the person or persons making it; and
 - (d) Must be received by the Company:
 - (aa) at least 7 days before the general meeting to which it relates; and
 - (bb) not later than 6 weeks before the annual general meeting to which the requests relate; or if later, not later than the time at which notice of that meeting is given.

Enquiries to the Board

The "Corporate Information" of this annual report provides the registered address of the Company and the email address, fax number and telephone number of the Investor Relations team to facilitate the shareholders of the Company to address their concerns or enquiries to the Board at any time. Please mark for the attention of the Company Secretary in the incoming letters or e-mails.

Corporate Governance Report (continued)

DIVIDEND POLICY

The Company aims at providing a stable and sustainable return to the shareholders and a dividend policy was adopted by the Company in 2019. Under the dividend policy, the Board shall take into account future operating and profit, cash flows, capital and other reserve requirements of the Group, overall financial position, contractual restrictions, articles of association of the Company, all applicable laws (including the Inland Revenue Ordinance) and other factors when the Board recommends the declaration of dividends and determines the dividend amounts.

The total dividend payout (comprising the interim dividend declared and the proposed final dividend) for the year ended 31 December 2025 was HK50 cents per share, maintaining a stable dividend payout ratio. The Board confirms that the aforesaid dividend decisions were made in accordance with the dividend policy of the Company.

The Company will continue to review the dividend policy and retain its sole and absolute discretion to update, revise and/or modify the dividend policy at any time.

COMPANY SECRETARY

The Company Secretary of the Company is a full time employee of the Company and reports to the Chairman of the Board. The Company Secretary supports the Board by ensuring good information flow and that the Board policies and procedures are strictly followed. The Company Secretary is also responsible for advising the Board on corporate governance matters and facilitating the induction and professional development of Directors.

During the year, Mr. Lam Timothy Andrew, the Company Secretary of the Company, has taken no less than 15 hours of relevant professional training.

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, fees for audit services and non-audit services payable to the external auditor of the Company amounted to approximately RMB11,752,000 and RMB812,000 respectively. Fee payable for the non-audit services included but not limited to the professional services rendered in connection with results announcement, continuing connected transactions and climate risk assessment services.

CONSTITUTIONAL DOCUMENTS

For the purpose of (i) aligning with the latest legal and regulatory requirements following the relevant amendments to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Listing Rules in relation to the implementation of the treasury share regime, the expanded paperless listing regime, the electronic dissemination of corporate communications by means of website and the conduct of general meetings (including holding hybrid/virtual general meetings); and (ii) making other consequential and housekeeping changes, shareholders of the Company have passed a special resolution during the annual general meeting held on 25 June 2025 to amend the previous articles of association of the Company and to adopt new Articles of Association in substitution for and to the exclusion of the previous articles of association of the Company. An up-to-date version of the Articles of Association is available on the websites of the Company (www.coli.com.hk) and the Hong Kong Stock Exchange (www.hkexnews.hk).

Risk Management and Internal Controls Report

The Board acknowledges that risk is inherent in our business and the markets in which we operate, and we undertake and monitor risk in pursuit of our strategic and business objectives. We aim to establish an effective risk management and internal control systems and culture to safeguard the Company's assets and the interests of shareholders for the long-term development of the Company, to ensure that reliable financial information will be provided to management and to ensure that risks affecting significant investments and business of the Company can be identified and properly managed so that they can be minimised, transferred or avoided. However, risk management and internal control systems are designed to manage, rather than eliminate, the risk of failing to achieve business objectives, and it can only provide reasonable, but not absolute, assurance against material misrepresentation or loss.

RISK MANAGEMENT STRUCTURE

The Company's current risk management structure is guided by the principle of "three lines of defence" which aims at carrying out risk assessment and risk monitoring for all business segments, integrating risk management with operational management, embedding risk management into the entire business processes, including decision-making, execution and supervision. The risk management system extends horizontally into all departments and vertically to subsidiaries and projects, forming a comprehensive, all-encompassing, all-process, and system-wide risk prevention and control mechanism, which is adjusted promptly as circumstances change.

Board of Directors

The Board has the overall responsibility for establishing and maintaining appropriate and effective risk management and internal control systems. Its principal duties include:

- evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives
- oversee and review the adequacy and effectiveness of the risk management and internal control systems on an ongoing basis

Audit and Risk Management Committee

The Audit and Risk Management Committee is delegated with the authority from the Board to oversee the risk management and internal control systems at the Board level. Its principal duties include:

- oversee the design, implementation and monitoring of the risk management and internal control systems
- consider major investigation findings on risk management and internal control matters
- discuss with management on the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function
- review the adequacy and effectiveness of the risk management and internal control systems twice a year and report to the Board
- provide market insights and advices to the Board in relation to the Group's risks and internal control

Risk Management and Internal Controls Report (continued)

RISK MANAGEMENT STRUCTURE *(continued)*

Third Line of Defence – Audit Department

The Audit Department assists the Audit and Risk Management Committee in assessing the risk management and internal control systems. Its principal duties include:

- draw up the audit plan and perform regular independent review of the risk management and internal control systems
- review key risk areas and put forward any risk action plans for implementation by the relevant business units concerned
- report to the Audit and Risk Management Committee and the Board on the Group's overall risk position and key exposures, the actions planned or taken by the management, and major emerging risks that require specific attention
- provide independent assurance to the Audit and Risk Management Committee and the Board as to the adequacy and effectiveness of the Company's risk management and internal control systems

Second Line of Defence – Compliance and Risk Management Committee ("CRMC") – Legal and Compliance Department

CRMC is chaired by the Chief Executive Officer and made up of members from the senior management. Its principal duties include:

- review the mitigation measures for major compliance issues and risk matters
- discuss and determine other major compliance and risk related matters

Legal and Compliance Department serves as the centralised hub for risk management within the organisation. Its principal duties include:

- organise the drafting of risk management policies, as well as establishing and updating specific policies and risk factor database tailored to the Company's evolving needs
- coordinate the Company's annual major risk assessment, prepare and publish the annual major risk assessment report, and oversee the progress of preventive measures and controls for identified major risks
- facilitate the collection and reporting of significant risk events within the Company, and follow up and supervise the response to these events
- manage daily risk management-related matters for CRMC
- coordinate with functional units on daily risk management issues

First Line of Defence – Functional Units and subsidiaries

Functional units and subsidiaries act as the risk owners. Its principal duties include:

- identify, evaluate, monitor and mitigate risk areas within their scope of operations
- organise specialised risk assessments and reviews for major decisions and key business operations within the functional unit
- execute all proper risk management, mitigation measures and actions as required to protect the Group's interest and efficacy of business performance
- ensure the effectiveness of risk management system and mitigation strategies

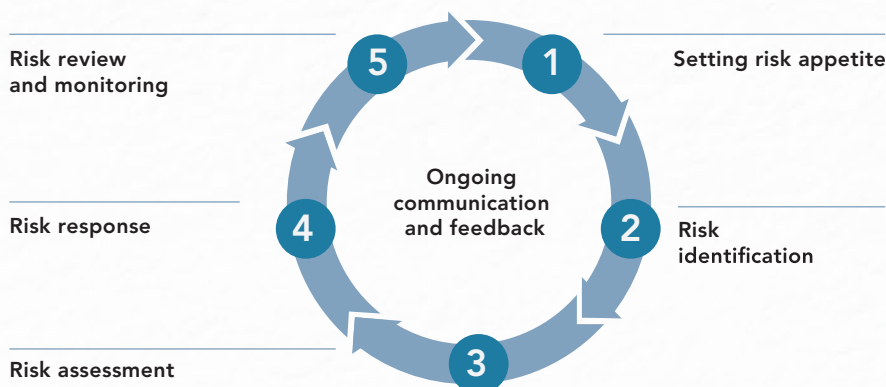
Risk Management and Internal Controls Report (continued)

RISK CULTURE

The Board recognises the importance of an effective risk management system and is committed to promote a risk-aware culture throughout the Company that integrates risk management into the course of business operation of the Company and entrenches risk management in the organisational operation and the process of achieving the business goal. In the meantime, through regular training, risk management has been integrated into our business routine. The Group strives to continually enhance its risk management framework in order to keep pace with the dynamic business environment.

RISK MANAGEMENT PROCESS

The risk management process is embedded in our day-to-day operations. The diagram below provides an overview of the risk management process (which includes risk appetite, identification, assessment, response, review and monitoring) that allows the Company to maintain an appropriate risk culture to support operations and support the Board in complying with the obligations under the Listing Rules. This is an ongoing process with regular monitoring, review and reporting to the Audit and Risk Management Committee and the Board.



Risk Management and Internal Controls Report (continued)

RISK MANAGEMENT PROCESS *(continued)*

Risk appetite

Taking into account the internal and external environment, the Company's strategic objective, business planning, risk management principles and culture, an appropriate risk management approach is adopted to achieve the optimal balance between returns and risks.

Risk identification

Risk identification is the cornerstone to risk assessment and response. Our risk management framework with both "top-down" and "bottom-up" approaches allows the Company to identify the inherent and emerging risks at both strategic and operational levels based on the internal and external environment, the Company's development objectives, significant business operation procedures and the history of the Company's major risks and issues.

Our potential risks in critical business areas are categorised into six main areas: external market, strategic, operational, financial, regulatory and ESG (including climate-related risks). A comprehensive list of risks and opportunities at both operational level and group level can be developed.

Risk assessment

Based on risk identification, identified risks and opportunities are assessed and analysed in two dimensions: (i) degree of impact to the Group's operation objectives (including but not limited to finances, operations, regulatory compliance, reputation and relationships with customers and suppliers); and (ii) likelihood of occurrence.

The risks and opportunities will be analysed by each business and functional units who will consider and prioritise the risks according to the risk ratings. For risks that might have more significant impact, such risks will be escalated to CRMC for re-assessment.

Risk response

Based on the risk assessment results, risk management plans and mitigation measures will be explored and developed to mitigate risks to an acceptable level. Risk response proposals for significant business operations, major events and key areas will be submitted to CRMC for review and approval.

Risk review and monitoring

CRMC monitors the implementation of reasonable risk mitigation measures and monitors how the material risks are changing over time. Adequate risk-related information will be reported to the Board and the Audit and Risk Management Committee through the Audit Department on a regular basis.

Risk Management and Internal Controls Report (continued)

PRINCIPAL RISKS OF THE GROUP

Principal risks faced by, and key control measures taken by the Group during the year are summarised below:

Risk	Risk description	Key risk control measures
1. Market risk	The domestic real estate market is still facing the downward adjustment pressure, factors such as shrinking demand and weakened expectations continue to constrain the market's recovery.	<ul style="list-style-type: none"> adhere to the "three-in-one" strategy encompassing investment research, customer research and product research, while continuously conducting project diagnostics enhance marketing expertise and optimise the "three-in-one" tool utilisation develop customised sales plans for each project to maximise project value and accelerate sales
2. Operational risk	There is a decline in profitability within property development sector.	<ul style="list-style-type: none"> establish a pre-investment risk management framework and develop a new risk matrix continuously update city-specific product strategies to create more competitive offerings focus on reducing costs and increasing efficiency to bolster cost competitiveness control the debt ratio, adopt rational financing strategies, and maintain capital market confidence in the Company
3. Macroeconomic and political risk	Intensified geopolitical conflicts are contributing to a bleak global economic outlook and increasing uncertainty across various industries.	<ul style="list-style-type: none"> establish a robust mechanism for tracking and analysing economic and real estate policies maintain disciplined investment strategies, focus on areas with clear potential, and enhance risk resilience capabilities ensure the Company's financial stability by maintaining a low gearing ratio and achieving positive operating cash flow
4. Technological innovation risk	There is a risk of deviation in research and development direction, coupled with unsatisfactory research and development outcomes.	<ul style="list-style-type: none"> develop a strategic roadmap for science and technology to clarify research directions enhance research management systems and provide training on research project management promote collaborative research, academic discussions, and other activities to improve and expand the research environment and opportunities
5. Exchange rate risk	Fluctuations in Renminbi exchange rate.	<ul style="list-style-type: none"> keep monitoring the exchange rate and track the volatility of RMB exchange rate optimise the ratio of RMB to foreign currency debt as and when appropriate review and explore various financing tools to minimise the foreign exchange risk

Risk Management and Internal Controls Report (continued)

INTERNAL CONTROL SYSTEM

Alongside the risk management process, key components of the Group's internal controls environment include:

- (i) Appropriate corporate governance structure and rules of procedures have been established to define responsibilities and authorities of decision making, executing, and supervising, and therefore, to form a clear division of duties and check and balance mechanism.
- (ii) A diverse range of internal control policies and procedures have been deployed to help ensure efficient and effective operations in our growing business units and functions. Each functional department of the Company has its business management code, operation guidelines and post manual based on business needs. They also use necessary control mechanisms to ensure that employees are clear about and exercise authority properly.
- (iii) A comprehensive budget management has been established to allow the Company to ascertain responsibility and authority for each business unit in budget management and regulates the preparation, review and execution program of budget. The budget will be re-assessed semi-annually with reference to the business performance, business needs and strategy and significant risk and opportunities.
- (iv) A standardised accounting procedures and a specific business audit system have been maintained to guarantee the authenticity and integrity of accounting data and information for disclosure and reporting purposes. There are regular management reports on the Group's cash, liquidity and borrowings so that cash flow position of the Company is closely monitored.
- (v) Information technology has been applied to enhance the Company's internal monitoring capability, and establish a compatible information system on operation and management, thus, leveraged on effective combination with internal monitoring process, to achieve the purpose of reducing or eliminating the artificial control factors.
- (vi) Each regional office of the Company is required to assign a compliance officer responsible for overseeing compliance issues within their respective region. The Company has implemented an electronic approval system that ensures all matters are approved according to established processes and all approval processes and documents are retained within the system. The responsible regional offices and headquarters departments are obligated to verify the compliance of submitted projects and contracts through this system.

The Audit Department assists the Audit and Risk Management Committee and the Board to provide an independent review of the effectiveness and adequacy of the risk management and internal control systems, makes remediation suggestions to the management of the Company on identified deficiencies in the design and implementation, and supervises the management to make and implement remediation plans. The Audit Department regularly reviews the operation of the risk management and internal control systems of the Company and submits review report to the Audit and Risk Management Committee and the Board on a half-yearly basis.

The Audit and Risk Management Committee, based on the report from the internal audit, reviews and assesses the risks of the Company and the control measures to be taken and reviews the effectiveness of the risk management and internal control systems, carries out research on important findings regarding risk management and internal control matters and the response from management to the findings, and report any deficiency of the control systems and corresponding suggestions for improvement to the Board. In addition, the external auditors host regular discussion with the Audit and Risk Management Committee on any internal control problem identified in the course of the audit.

Risk Management and Internal Controls Report (continued)

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

In 2025, the Audit Department focused on standardizing processes, eliminating blind spots, and effectively operating with an emphasis on improving quality and efficiency, as well as stable growth. They strengthened supervision and constraints on key areas, critical links, and important positions, conducting a comprehensive self-assessment of the construction and effectiveness of the internal control system. By systematically analyzing various business processes, they aimed to objectively, truthfully, and accurately reveal any internal control deficiencies in operational management, urging all functional departments and subsidiaries to complete rectifications to ensure high-quality development for the Company. The Legal and Compliance Department, as the coordinating body for risk management, actively collaborated with various functional departments to effectively identify different types of risks, and promoted the proper resolution of these risks through regular consultations, special oversight, and process tracking.

The Board has the overall responsibility for establishing and maintaining appropriate and effective risk management and internal control systems, which should be appropriate and effective for the purposes set out in Principle D2 of the CG Code. As mentioned above, the Audit Department regularly reviews the operation of the risk management and internal control systems of the Company and submits review report to the Audit and Risk Management Committee and the Board on a half-yearly basis.

With the support of the Audit and Risk Management Committee, the Board reviewed the effectiveness and adequacy of the risk management and internal control systems of the Company and its subsidiaries, including financial report, operation and regulation compliance on a half-yearly basis, and considered that the systems are effective and efficient. During the year, no material deficiency of the systems was found, and the Company has rectified any deficiency in its control (if any) which might exist. The Board believes that the systems are operating effectively and appropriate, and various risks that may affect the Company's achievement of goals are under control.

The Board also reviewed and considered that the resources, professional qualification and experience of the staff of the accounting, internal audit, financial reporting functions and ESG performance and reporting of the Company as well as training programs and budget in 2025 were sufficient.

WHISTLEBLOWING POLICY

The Group has formulated the Whistleblowing Policy, which stipulates ways for filing complaints, ways for complaints acceptance, investigation procedures and handling and protective provisions. It allows employees and those who deal with us (including but not limited to customers, suppliers and business partners) to raise their concerns about fraud, corruption, and any improper matters on an anonymous basis. To facilitate the filing of reports and objections, the Company has set up various reporting channels including mails, calls, visits and internet means, all of which are publicly available.

The Group has also formulated the Measures for the Administration of Complaints and Reports, the Working System for Supervision, and the Guidelines on the Handling of Clues for Discipline Inspection and Supervision Issues, which define the Group's standards for whistleblowing, investigating and handling corrupt practice. To ensure the effective implementation of these measures, the Group has specified the codes for handling and investigating whistleblowing information, which stipulates that the investigation group must comprise at least 2 members, and the Supervision Department is in charge of conducting fair and impartial investigations and follow-ups. The Audit Department is responsible for conducting analysis and making recommendations and informing the realname whistleblower of the investigation findings and results.

As of the end of the reporting period, all complaints and whistleblowing cases had been fully concluded, achieving the goal of a 100% resolution rate of issues and clues.

Risk Management and Internal Controls Report (continued)

ANTI-CORRUPTION POLICIES

The Company is committed to high standards of ethics, honesty and integrity. We have a zero-tolerance approach to any form of bribery and corruption. Various anti-corruption policies have been set up to strengthen anti-corruption awareness within the Company and among our business partners through codes, agreements, policies, systems and regular training.

The anti-corruption policies outline the Company's principles, code of conducts, requirements relating to anti-corruption, conflict of interest, confidentiality of information, anti-competitive practices, anti-discrimination and other irregularities as well as the reporting channel for any suspected or actual cases. All employees are required to sign and commit the Work Integrity Responsibility Statement every year. Training related to anti-corruption was also regularly provided to the employees so as to deepen employees' understanding of anti-fraud and corruption.

To ensure effective implementation of anti-corruption policies, the Company has formulated and released a comprehensive internal management system and process. The system integrates key elements, including a whistleblowing mechanism, periodic risk evaluations and internal controls, periodic training, clear division of responsibilities and operating guidelines. The Company has formulated a three-year audit policy to ensure all subsidiaries are subject to the audit on ethics standards and anti-corruption policies. The audit covers all business lines to ensure in-depth implementation and effective execution of business ethics and anticorruption policies in all our business lines. When corruption arises, the Company communicates with stakeholders in time, including customers, employees, investors, regulators, suppliers and labour unions, to ensure transparent disclosure and timely handling. At the same time, the Company exchanges with other enterprises on anti-corruption supervision, conducts in-depth discussions on anticorruption capacity building and auditing, and shares practical experience in audit institution setting, business management, accountability, internal control and anti-fraud mechanism, so as to strengthen our professional capacity in integrity building.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company has established the Inside Information Disclosure Policy to:

- ensure that any potential inside information is promptly identified and reported to the Executive Committee of the Company who will make timely decisions on disclosure of inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance and the Listing Rules;
- conduct its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission;
- establish preventive controls and reporting mechanism as well as external communication guidelines applicable to confidential or unpublished inside information in relation to the Group and its securities;
- set out restrictions in securities dealing by senior managers, and other nominated managers and staff who, because of their respective positions in the Company, are likely to be in possession of inside information regarding the Company and its securities in compliance with the Model Code for Securities Transactions by Directors set out in Appendix C3 to the Listing Rules; and
- provide regular training to all employees to help understand the Company's Inside Information Disclosure Policy as well as their duties and obligations in relation to the inside information.

Report of Directors

The directors of the Company (the “Directors”) present the annual report and the audited financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATION

The Group is principally engaged in property development, commercial property operations and other businesses. The activities of the Company’s principal subsidiaries are set out in note 39 to the financial statements.

An analysis of the Group’s performance by segment is set out in note 5 to the financial statements.

BUSINESS REVIEW

A fair review of the business of the Company as well as discussion and analysis of the Group’s performance during the year and the material factors underlying its financial performance and financial position as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing by the Group and an indication of likely future developments in the Group’s business, can be found in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” as set out on pages 14 to 45 of this annual report.

In addition, discussions on the Group’s environmental policies and performance and compliance with the relevant laws and regulations and an account of the Group’s key relationships with its employees, customers, suppliers and stakeholders, that have a significant impact on the Group can be found in the section headed “Sustainable Development” as set out on pages 53 to 62 of this annual report and in the Company’s 2025 Environmental, Social and Governance Report published in accordance with the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 127 and 128 of this annual report respectively.

An interim dividend of HK25 cents per share (2024: HK30 cents per share) was paid on 3 October 2025. The board of Directors (the “Board”) recommends the payment of a final dividend of HK25 cents per share (2024: HK30 cents per share) to shareholders whose names appear on the Register of Members of the Company on 30 June 2026. Together with the interim dividend of HK25 cents per share, dividends for the year will amount to a total of HK50 cents per share (2024: HK60 cents per share). Subject to the approval of the shareholders at the forthcoming annual general meeting, the final dividend will be payable on 15 July 2026.

Report of Directors (continued)

SHARE CAPITAL

The total number of shares of the Company in issue (the "Shares") as at 31 December 2025 was 10,944,883,535 ordinary Shares.

Details of movements in the share capital of the Company during the year are set out in note 29 to the financial statements.

RESERVES

Movements during the year in the reserves of the Group and of the Company (including but not limited to distributable reserves) are set out in the consolidated statement of changes in equity on pages 131 and 132 of this annual report and note 40 to the financial statements respectively.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 8 of this annual report.

MAJOR PROPERTIES

Details of the major property development projects and commercial properties of the Group at 31 December 2025 are set out on pages 33 to 34 and pages 38 to 40 of this annual report.

TANGIBLE FIXED ASSETS

The Group's investment properties were revalued at the reporting date. The revaluation resulted in a net increase in fair value of RMB271,735,000 which has been credited directly to the consolidated income statement.

Details of the movement in investment properties and movements in property, plant and equipment of the Group during the year are set out in notes 15 and 14 respectively to the financial statements.

EQUITY-LINKED AGREEMENTS

For the year under review, save for the Share Option Scheme (as defined in the section headed "Share Option Scheme" in this report with details set out thereto) adopted by the Company on 11 June 2018, the Company did not enter into any equity-linked agreement.

Report of Directors (continued)

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

Save as disclosed below, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the year ended 31 December 2025.

Issue of Listed Securities

The following securities were issued by the wholly-owned subsidiaries of the Company during the year. The net proceeds are used to repay the existing indebtedness of the Group.

Name of subsidiary	Securities	Issue date	Due date	Principal amount (RMB'000)	Coupon rate per annum	Name of stock exchange/ market on which the securities are listed/issued
China Overseas Development Group Co., Ltd.* ("China Overseas Development")	2025 corporate bonds					Shenzhen Stock Exchange
	(i) First tranche (Type I)	28 April 2025	29 April 2030	1,000,000	1.80%	
	(ii) First tranche (Type II)	28 April 2025	29 April 2035	500,000	2.37%	
	(iii) Second tranche (Type I)	11 August 2025	12 August 2028	800,000	1.60%	
	(iv) Second tranche (Type II)	11 August 2025	12 August 2030	2,500,000	1.79%	
China Overseas Development	2025 medium-term notes					National Interbank Bond Market
	(i) First tranche (Type I)	11 April 2025	14 April 2030	500,000	1.90%	
	(ii) First tranche (Type II)	11 April 2025	14 April 2035	1,500,000	2.38%	
	(iii) Second tranche (Type I)	22 August 2025	25 August 2030	1,500,000	1.75%	
	(iv) Second tranche (Type III)	22 August 2025	25 August 2040	500,000	2.50%	
	(v) Third tranche (Type I)	20 October 2025	21 October 2028	100,000	1.70%	
	(vi) Third tranche (Type II)	20 October 2025	21 October 2030	2,900,000	1.90%	

* English translation for identification purpose only

Report of Directors (continued)

PURCHASE, SALE OR REDEMPTION OF THE GROUP'S LISTED SECURITIES *(continued)*

Redemption of Listed Securities

The following securities were redeemed by the wholly-owned subsidiaries of the Company during the year:

Name of subsidiary	Securities	Issue date	Redemption date	Redemption value (RMB'000)	Remaining value (RMB'000)
China Overseas Development	RMB1,800 million at coupon rate of 2.88% medium-term notes which were listed on the National Interbank Bond Market	12 January 2022	14 January 2025	1,800,000	Nil
China Overseas Development	RMB2,000 million at coupon rate of 3.05% corporate bonds which were listed on the Shenzhen Stock Exchange	6 April 2022	7 April 2025	2,000,000	Nil
China Overseas Development	RMB1,500 million at coupon rate of 2.75% corporate bonds which were listed on the Shenzhen Stock Exchange	9 May 2022	12 May 2025	1,500,000	Nil
China Overseas Development	RMB2,000 million at coupon rate of 2.63% medium-term notes which were listed on the National Interbank Bond Market	25 May 2022	27 May 2025	2,000,000	Nil
China Overseas Development	RMB1,000 million at coupon rate of 2.40% corporate bonds which were listed on the Shenzhen Stock Exchange	19 September 2022	22 September 2025	1,000,000	Nil
China Overseas Development	RMB1,500 million at coupon rate of 2.25% corporate bonds which were listed on the Shenzhen Stock Exchange	19 December 2022	22 December 2025	1,500,000	Nil
China Overseas Finance (Cayman) VIII Limited	US\$300 million at coupon rate of 2.375% guaranteed notes which were listed on the Hong Kong Stock Exchange	2 March 2020	2 March 2025	2,163,583	Nil

For details of the aforementioned securities, please refer to the relevant announcements of the Company.

Report of Directors (continued)

BORROWINGS AND INTEREST CAPITALISED

Analysis of bank loans, guaranteed notes and corporate bonds and interest capitalised are set out in notes 24, 25 and 7 respectively to the financial statements.

DIRECTORS

(a) Directors of the Company

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Yan Jianguo
Mr. Zhang Zhichao
Mr. Guo Guanghui

Non-executive Directors

Mr. Zhuang Yong
Mr. Zhao Wenhai (*resigned w.e.f. 22 January 2025*)
Mr. Ma Yao (*appointed w.e.f. 22 January 2025*)

Independent Non-executive Directors

Mr. Li Man Bun, Brian David
Professor Chan Ka Keung, Ceajer
Dr. Chan Ching Har, Eliza

Mr. Zhao Wenhai resigned as a Non-executive Director of the Company due to other work arrangements. Mr. Zhao confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

Mr. Li Man Bun, Brian David resigned as an Independent Non-executive Director with effect from 25 June 2026 and Mr. Li Man Kiu, Adrian David has been appointed as an Independent Non-executive Director with effect from 25 June 2026.

In accordance with article 105(1) of the Company's articles of association, Mr. Zhang Zhichao, Professor Chan Ka Keung, Ceajer and Dr. Chan Ching Har, Eliza shall retire by rotation at the forthcoming annual general meeting to be held on 24 June 2026 and, being eligible, offer themselves for re-election.

The term of office for each Independent Non-executive Director is the period up to his/her retirement by rotation in accordance with the Company's articles of association.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and considers the Independent Non-executive Directors to be independent.

No Director proposed for re-election at the forthcoming annual general meeting has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

Report of Directors (continued)

DIRECTORS *(continued)*

(b) Directors of the subsidiaries of the Company

The list of directors of the subsidiaries of the Company during the year and up to the date of this report is available on the Company's website at <http://www.coli.com.hk> under the "Corporate Governance" section.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

Information regarding Directors' emoluments and senior management's emoluments are set out in notes 10 and 36(b) to the financial statements respectively, and the section headed "Remuneration Committee" on page 81 of the Corporate Governance Report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 46 to 52 of this annual report.

SHARE OPTION SCHEME

The share option scheme was approved and adopted by the shareholders of the Company on 11 June 2018 (the "Share Option Scheme") to enable the qualifying grantees to acquire ordinary Shares of the Company and unless otherwise cancelled or amended, it will remain in force for 10 years from 11 June 2018. The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Group's businesses, to provide additional incentives to the qualifying grantees (being, among others, any employee of the Group or such other persons that have contributed to the Group as specified in the Share Option Scheme) that have contributed to the Group, and to promote the long term financial success of the Group by aligning the interests of share option holders with shareholders of the Company.

The limit on the number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. No share options may be granted under any scheme of the Company if this will result in the limit being exceeded.

The number of Shares in respect of the share options that may be granted according to the Share Option Scheme (the "Share Options") shall not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme (i.e. 11 June 2018). On the basis of 10,956,201,535 Shares in issue as at 11 June 2018, this would be 1,095,620,153 Shares.

Report of Directors (continued)

SHARE OPTION SCHEME *(continued)*

As at 31 December 2025, the Company has no outstanding share options granted under the Share Option Scheme. No share options have been granted/exercised/cancelled/lapsed under the Share Option Scheme during the year 2025. The number of Share Options available for grant under the Share Option Scheme on 1 January 2025 and 31 December 2025 was 811,397,653. As at the date of this Annual Report, the total number of Shares in the capital of the Company available for issue under the Share Option Scheme is 811,397,653 Shares which represented approximately 7.41% of the total issued share capital at that date.

Unless otherwise approved by the shareholders of the Company in a general meeting, the number of Shares issued and to be issued upon exercise of the Share Options (whether exercised or outstanding) granted to each of the eligible persons in any 12-month period shall not exceed 1% of the Shares in issue.

Unless otherwise approved by the shareholders of the Company in a general meeting, no Share Options may be granted to any substantial shareholder of the Company, Independent Non-executive Directors or their respective associates, that would result in the Shares issued or to be issued to such person in the 12-month period up to and including the date of Board meeting proposing for the grant (i) in aggregate exceeding 0.1% of the Shares in issue from time to time; and (ii) in aggregate exceeding HK\$5 million based on the closing price of the Shares at the date of the Board meeting proposing for such grant.

The exercise price in respect of any particular Share Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Share Option, but shall not be less than whichever is the higher of (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant.

The period within which the Shares must be taken up under a Share Option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 6 years from the date of grant of the relevant Share Option.

The minimum period, if any, for which a Share Option must be held before it can be exercised shall be determined by the Board in its absolute discretion. The Share Option Scheme itself does not specify any minimum holding period.

HK\$1.00 is payable by each of the Share Option holders to the Company on the acceptance of the offer of the Share Option. The period within which payments or calls must or may be made should be 28 days after the offer date of a Share Option or such period as the Directors may determine.

The life of the Share Option Scheme is 10 years commencing on 11 June 2018 and expiring on 10 June 2028.

Other details of the Share Option Scheme are set out in Appendix III to the circular published by the Company on 16 April 2018.

Report of Directors (continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2025, the interests and short positions of the Directors, the chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(a) Long Positions in Shares of the Company

Name of Director	Capacity	Nature of interests	Number of Ordinary Shares held	% of Shares in issue (Note)
Mr. Li Man Bun, Brian David	Beneficial owner	Personal	5,660,000	0.0517%

Note: The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 31 December 2025.

(b) Long Positions in Shares and Underlying Shares of the Associated Corporations

(all being personal interest and being held in the capacity of beneficial owner)

Name of associated corporation	Name of Director	Number of ordinary shares held	% of shares in issue (Note)
China State Construction Engineering Corporation Limited ("CSCECL")	Mr. Guo Guanghui	210,000	0.001%
China State Construction Development Holdings Limited	Mr. Zhang Zhichao	2,984,000	0.132%
China Overseas Property Holdings Limited	Mr. Li Man Bun, Brian David	1,820,000	0.055%
China Overseas Grand Oceans Group Limited ("COGO")	Mr. Zhuang Yong	800,825	0.022%

Note: The percentage represents the number of shares interested divided by the number of shares of the related associated corporation in issue (as the case may be) as at 31 December 2025.

(c) Long Positions in Debentures of the Associated Corporations

Mr. Zhuang Yong in his capacity as a beneficial owner had personal interests in a nominal amount of US\$900,000 in the 5.35% Guaranteed Notes due 2042 issued by China Overseas Finance (Cayman) V Limited, a wholly-owned subsidiary of the Company.

Report of Directors (continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES *(continued)*

Save as disclosed above, as at 31 December 2025, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein.

Save as disclosed above and in the section headed "Share Option Scheme", none of the Directors and the chief executive of the Company (including their spouses and children under the age of 18) had, at no time during the year ended 31 December 2025, any interest in, or had been granted any right to subscribe for the shares, options and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above and in note 29 to the financial statements, at no time during the year, the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, during the year and up to the date of this report, the following Directors declared interests in the following entities which compete or are likely to compete, either directly or indirectly, with the businesses of the Company:

Mr. Yan Jianguo, the Chairman and Executive Director of the Company, is also the Chairman of China Overseas Holdings Limited ("COHL") and the Non-executive Director of CSC. Mr. Zhang Zhichao, the Executive Director and the Chief Executive Officer of the Company, is also a director of COHL. Mr. Zhuang Yong, the Vice Chairman and Non-executive Director of the Company, is also a director of COHL and the Chairman and Executive Director of COGO. COHL, COGO and CSC are engaged in construction, property development and related businesses.

The entities in which the above Directors had declared interests are managed by separate boards of directors and management, which are accountable to their respective shareholders. In addition, the Board includes three Independent Non-executive Directors and one Non-executive Director (other than Mr. Zhuang Yong) whose views carry significant weight in the Board's decisions. The Audit and Risk Management Committee of the Company, which consists of three Independent Non-executive Directors, meets regularly to assist the Board in reviewing the financial performance, internal control, risk management and compliance systems of the Company and its subsidiaries. The Company is, therefore, capable of carrying on its businesses independently of, and at arm's length from, the businesses in which the Directors had declared interests.

Report of Directors (continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2025, the interests and short positions of the substantial shareholders and other persons of the Company in the Shares and underlying Shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company, were as follows:

Name of Shareholder	Capacity	Number of Ordinary Shares held (Long Position)	% of Shares in issue (Note 1)
Silver Lot Development Limited ("Silver Lot")	Beneficial owner	521,264,928	4.76%
COHL (Note 2)	Beneficial owner	5,618,894,255	51.34%
	Interest of controlled corporation	521,264,928	4.76%
CSCECL (Note 3)	Interest of controlled corporation	6,140,159,183	56.10%
China State Construction Engineering Corporation ("CSCEC") (Note 3)	Interest of controlled corporation	6,140,159,183	56.10%
Complete Noble Investments Limited ("Complete Noble") (Notes 4 and 5)	Beneficial owner	1,095,620,154	10.01%
Affluent East Investments Limited ("Affluent East") (Notes 4 and 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Limited ("CITIC") (Notes 4 and 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Glory Limited ("CITIC Glory") (Note 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Polaris Limited ("CITIC Polaris") (Note 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Group Corporation ("CITIC Group") (Note 5)	Interest of controlled corporation	1,095,620,154	10.01%
Pzena Investment Management, LLC	Investment manager	547,389,432	5.00%
	Beneficial owner	42,500	0.00%

Report of Directors (continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

Notes:

1. The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 31 December 2025.
2. Silver Lot is a direct wholly-owned subsidiary of COHL, thus COHL is deemed by the SFO to be interested in Shares of the Company in which Silver Lot is or is taken to be interested.
3. COHL is a direct wholly-owned subsidiary of CSCECL, which was in turn approximately 57.70% held by CSCEC. CSCECL and CSCEC are deemed by the SFO to be interested in Shares of the Company in which COHL is or is taken to be interested.
4. Complete Noble is a direct wholly-owned subsidiary of Affluent East, which in turn is a direct wholly-owned subsidiary of CITIC.
5. More than 50% of CITIC is held by CITIC Glory and CITIC Polaris, both of which are direct wholly-owned subsidiaries of CITIC Group, in aggregate. Accordingly, CITIC is an indirect non-wholly owned subsidiary of CITIC Group and Affluent East, CITIC, CITIC Glory, CITIC Polaris and CITIC Group are all deemed by the SFO to be interested in Shares of the Company in which Complete Noble is or is taken to be interested.

Save as disclosed above, the Company had not been notified by any other person (other than the Directors or the chief executive of the Company) who had an interest or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 December 2025.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP

Definitions

In this section, the following expressions have the following meanings unless the context requires otherwise:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"COHL"	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, being a controlling shareholder of the Company, COPL, CSC and CSCD
"Company"	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 688)
"COPL"	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2669)
"COPL Group"	COPL and its subsidiaries from time to time

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

Definitions *(continued)*

"CSC"	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3311)
"CSC Group"	CSC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
"CSC Minority Controlled Group"	companies held as to 30% to 50% by the CSC Group, and their respective subsidiaries from time to time (excluding members of the Group and members of the CSC Group, respectively)
"CSCD"	China State Construction Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 830)
"CSCD Group"	CSCD and its subsidiaries from time to time
"CSCECL"	China State Construction Engineering Corporation Limited, a joint stock company incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), being a controlling shareholder of COHL, the Company, COPL, CSC and CSCD
"CSCECL Connected Persons"	the associates of CSCECL, 30%-controlled companies held directly or indirectly by CSCECL and connected subsidiaries between CSCECL and the Company, and their respective subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies)) from time to time
"CSCECL Group"	CSCECL and its subsidiaries (excluding COHL, the Company, COPL, CSC, CSCD and their respective subsidiaries) from time to time
"Group"	the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Macau"	the Macao Special Administrative Region of the PRC
"PRC"	the People's Republic of China, which for the purpose of this Annual Report excludes Hong Kong, Macau and Taiwan

CSCECL and COHL are controlling shareholders of the Company, COPL, CSC and CSCD. Thus, members of CSCECL Group, COHL, COPL Group, CSC Group and CSCD Group are connected persons of the Company, and that the transactions contemplated under various agreements in this section between members of the Group and members of each of CSCECL Group, COHL, COPL Group, CSC Group and CSCD Group constitute connected or continuing connected transactions of the Company under the Listing Rules.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

During the year under review, the Group entered into the following connected transactions or continuing connected transactions which are exempted from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules or which have been approved by independent shareholders in pursuance of Rule 14A.36 of the Listing Rules:

(1) CSCD Master Engagement Agreement

On 29 April 2024, the Company and CSCD entered into a master engagement agreement, pursuant to which the Group may invite the CSCD Group to participate in competitive tender for provision of contracting and engineering works, project management, supervision and consultancy services for the construction works of the Group as a contractor or service provider (as the case may be) from time to time for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive) provided that the total contract sum that may be awarded to the CSCD Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2024 to 31 December 2024	HK\$505 million
1 January 2025 to 31 December 2025	HK\$110 million
1 January 2026 to 31 December 2026	HK\$660 million
1 January 2027 to 30 June 2027	HK\$110 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcement of the Company dated 29 April 2024.

(2) CSC Master Engagement Agreement

On 25 October 2022, the Company and CSC entered into a master engagement agreement (the "CSC Master Engagement Agreement"), pursuant to which the Group may invite the CSC Group to participate in competitive tender as construction contractor for the Group's construction works in the PRC, Hong Kong and Macau from time to time for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both dates inclusive) provided that the total contract sum that may be awarded to the CSC Group does not exceed the corresponding cap as set out below.

Period	Cap
1 January 2023 to 31 December 2023	HK\$9,000 million
1 January 2024 to 31 December 2024	HK\$9,000 million
1 January 2025 to 31 December 2025	HK\$9,000 million

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(2) CSC Master Engagement Agreement *(continued)*

Upon the expiry of the CSC Master Engagement Agreement, the Company and CSC entered into a new master engagement agreement on 31 October 2025, pursuant to which the Group may invite the CSC Group to participate in competitive tender as construction contractor for the Group's construction works in the PRC, Hong Kong and Macau from time to time for a term of three years commencing from 1 January 2026 and ending on 31 December 2028 (both dates inclusive) provided that the total contract sum that may be awarded to the CSC Group does not exceed the corresponding cap as set out below.

Period	Cap
1 January 2026 to 31 December 2026	HK\$1,000 million
1 January 2027 to 31 December 2027	HK\$2,400 million
1 January 2028 to 31 December 2028	HK\$2,400 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcements of the Company dated 25 October 2022 and 31 October 2025.

(3) CSCECL Master Engagement Agreement

On 31 March 2022, the Company and CSCECL entered into a master engagement agreement (the "CSCECL Master Engagement Agreement"), pursuant to which the Group may invite the CSCECL Group to participate in competitive tender as construction contractor for construction related services such as building design, construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and elevators in the PRC from time to time for a term of three years commencing from 1 July 2022 and ending on 30 June 2025 (both dates inclusive) provided that the total contract sum that may be awarded to the CSCECL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2022 to 31 December 2022	RMB12,000 million
1 January 2023 to 31 December 2023	RMB16,500 million
1 January 2024 to 31 December 2024	RMB9,500 million
1 January 2025 to 30 June 2025	RMB5,000 million

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(3) CSCECL Master Engagement Agreement *(continued)*

Upon the expiry of the CSCECL Master Engagement Agreement, the Company and CSCECL entered into a new master engagement agreement on 16 May 2025, pursuant to which the Group may invite the CSCECL Group to participate in competitive tender as construction contractor for construction related services such as building design, construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and elevators in the PRC from time to time for a term of three years commencing from 1 July 2025 and ending on 30 June 2028 (both dates inclusive) provided that the total contract sum that may be awarded to the CSCECL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2025 to 31 December 2025	RMB2,500 million
1 January 2026 to 31 December 2026	RMB5,000 million
1 January 2027 to 31 December 2027	RMB5,000 million
1 January 2028 to 30 June 2028	RMB2,500 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcements of the Company dated 31 March 2022 and 16 May 2025.

(4) COPL Services Framework Agreement

On 28 April 2023, the Company and COPL entered into a framework agreement, pursuant to which the Group may invite the COPL Group to participate in competitive tenders to provide the property management services and other services to the Group in respect of the property development projects or properties owned or held by the Group for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive) provided that the total contract sum that may be awarded to the COPL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2023 to 31 December 2023	HK\$1,229 million
1 January 2024 to 31 December 2024	HK\$3,078 million
1 January 2025 to 31 December 2025	HK\$4,005 million
1 January 2026 to 30 June 2026	HK\$2,719 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcement of the Company dated 28 April 2023.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(5) COPL Car Parking Spaces Framework Agreement

On 5 September 2022, the Company and COPL entered into a framework agreement (the "COPL Car Parking Spaces Framework Agreement"), pursuant to which the COPL Group may from time to time enter into transactions with the Group for the acquisition of rights-of-use of car parking spaces (the "Transactions"), situated in the developments or properties built, developed or owned by the Group and managed by the COPL Group as property manager for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both dates inclusive) provided that the total contract sum that may be awarded to the COPL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 January 2023 to 31 December 2023	HK\$600 million
1 January 2024 to 31 December 2024	HK\$600 million
1 January 2025 to 31 December 2025	HK\$600 million

Upon the expiry of the COPL Car Parking Spaces Framework Agreement, the Company and COPL entered into a new car parking spaces framework agreement on 28 November 2025, pursuant to which the COPL Group may from time to time enter into the Transactions, situated in the developments or properties built, developed or owned by the Group and managed by the COPL Group as property manager for a term of three years commencing from 1 January 2026 and ending on 31 December 2028 (both dates inclusive) provided that the total contract sum that may be awarded to the COPL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 January 2026 to 31 December 2026	RMB200 million
1 January 2027 to 31 December 2027	RMB200 million
1 January 2028 to 31 December 2028	RMB200 million

To determine the sale price for each Transaction, the Group will obtain valuation from an independent third party property appraiser and will take into account the factors such as development cost, historical maintenance cost, ongoing management cost savings, terms of the Transactions and the qualifications of the purchaser. In any event, the sale price shall be no less favourable to the Group than that available to independent third party purchaser. For details of the COPL Car Parking Spaces Framework Agreement, please refer to the announcements of the Company dated 5 September 2022 and 28 November 2025.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(6) Financial Services Master Agreement

On 31 October 2022, the Company and 中建財務有限公司 (China State Construction Finance Limited*, "CSCF") (a subsidiary of CSCECL) entered into a master agreement (the "Financial Services Master Agreement"), pursuant to which CSCF agreed to provide the Group with deposit services, loan services, factoring services, and other financial services on a non-exclusive basis for a term of three years commencing from 1 November 2022 and ending on 31 October 2025 (both dates inclusive). The maximum daily deposit balance (including interests accrued thereon) of the aggregated deposits placed by the Group with CSCF shall not exceed RMB7,000 million for each day of the three years ending 31 October 2025. The aggregated factoring amounts for the account receivables to be granted by CSCF to the Group shall not exceed the corresponding cap as set out below.

Period	Cap
1 November 2022 to 31 December 2022	RMB300 million
1 January 2023 to 31 December 2023	RMB2,000 million
1 January 2024 to 31 December 2024	RMB2,000 million
1 January 2025 to 31 October 2025	RMB1,700 million

Upon the expiry of the Financial Services Master Agreement, the Company and CSCF entered into a new financial services master agreement on 31 October 2025, pursuant to which CSCF agreed to provide the Group with deposit services, loan services, factoring services, and other financial services on a non-exclusive basis for a term of three years commencing from 1 November 2025 and ending on 31 October 2028 (both dates inclusive). The maximum daily deposit balance (including interests accrued thereon) of the aggregated deposits placed by the Group with CSCF shall not exceed RMB4,000 million for each day of the three years ending 31 October 2028. The aggregated factoring amounts for the account receivables to be granted by CSCF to the Group shall not exceed the corresponding cap as set out below.

Period	Cap
1 November 2025 to 31 December 2025	RMB500 million
1 January 2026 to 31 December 2026	RMB3,000 million
1 January 2027 to 31 December 2027	RMB3,000 million
1 January 2028 to 31 October 2028	RMB2,500 million

Details of the prices and terms of the Financial Services Master Agreement are set out in the announcements of the Company dated 31 October 2022 and 31 October 2025.

* *English translation for identification purpose only*

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(7) CSC Framework Agreement in relation to Supply of Materials

On 30 April 2024, the Company and CSC entered into a framework agreement, pursuant to which the CSC Group and the CSC Minority Controlled Group may invite the Group to participate in competitive tender as supplier for civil-works, electromechanical and renovation items, goods or materials for construction project(s) of the CSC Group or the CSC Minority Controlled Group for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive) provided that the total contract sum that may be awarded to the Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2024 to 31 December 2024	RMB500 million
1 January 2025 to 31 December 2025	RMB1,200 million
1 January 2026 to 31 December 2026	RMB1,400 million
1 January 2027 to 30 June 2027	RMB900 million

The prices and terms of the tenders awarded to the Group are subject to the standard and systematic tender procedures maintained by the CSC Group or the CSC Minority Controlled Group (as the case may be), details of which are set out in the announcement of the Company dated 30 April 2024.

(8) CSCECL Supply Chain Management Framework Agreement

On 11 December 2023, the Company and CSCECL entered into a framework agreement (the "CSCECL Supply Chain Management Framework Agreement"), pursuant to which 深圳領潮供應鏈管理有限公司 (Shenzhen Lingchao Supply Chain Management Co., Ltd.*) ("Shenzhen Lingchao", being a wholly-owned subsidiary of the Company) will provide, and CSCECL Group and CSCECL Connected Persons may engage Shenzhen Lingchao to provide, (i) supply chain management services including procurement of the Materials which can be provided by Shenzhen Lingchao; and/or (ii) supply chain consultation services, from time to time for the period commencing from 1 January 2024 and ending on 31 December 2026 (both dates inclusive) subject to the following caps as set out below:

Period	Cap
1 January 2024 to 31 December 2024	RMB2,500 million
1 January 2025 to 31 December 2025	RMB3,000 million
1 January 2026 to 31 December 2026	RMB3,500 million

Details of the prices and terms of the CSCECL Supply Chain Management Framework Agreement are set out in the announcement of the Company dated 11 December 2023.

* English translation for identification purpose only

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(9) CSCECL Lease Framework Agreement

On 28 April 2023, the Company and CSCECL entered into a framework agreement (the “CSCECL Lease Framework Agreement”), pursuant to which the CSCECL Group (as lessee) may lease properties (including but not limited to apartments, office premises, shops and car parking spaces etc.) from the Group from time to time for a term of three years commencing from 1 May 2023 and ending on 30 April 2026 (both dates inclusive) subject to the caps as set out below:

Period	Cap
1 May 2023 to 31 December 2023	RMB113 million
1 January 2024 to 31 December 2024	RMB180 million
1 January 2025 to 31 December 2025	RMB190 million
1 January 2026 to 30 April 2026	RMB67 million

Details of the prices and terms of the CSCECL Lease Framework Agreement are set out in the announcement of the Company dated 28 April 2023.

Annual review and confirmation regarding continuing connected transaction in accordance with Rule 14A.55 and 14A.56 of the Listing Rules

The Independent Non-executive Directors conducted annual review on the continuing connected transactions mentioned in this section and confirmed that those transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company also engaged auditor to report on the Group’s continuing connected transactions mentioned in this section in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “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 auditor issued an unqualified letter and confirmed that nothing has come to his attention that causes him to believe that the disclosed continuing connected transactions mentioned in this section:

- a. have not been approved by the Board;
- b. were not, in all material respects, in accordance with the relevant agreements governing such transactions;
- c. were not, in all material aspects, in accordance with the pricing policies of the Group; and
- d. have exceeded the annual cap set by the Company.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

Annual review and confirmation regarding continuing connected transaction in accordance with Rule 14A.55 and 14A.56 of the Listing Rules *(continued)*

The continuing connected transactions mentioned in this section also constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of significant related party transactions made during the year were disclosed in note 36 to the financial statements. Transactions under “Fellow subsidiaries” section of item (a) therein also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The Board confirms that the Company has complied with the disclosure requirements as required by the Listing Rules in relation to the aforementioned connected transactions or continuing connected transactions.

DIRECTORS’ INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There is no transaction, arrangement or contract of significance subsisting during or at the end of the financial year 2025 in which the Directors or an entity connected with him/her is or was materially interested, either directly or indirectly.

INTEREST IN CONTRACTS OF SIGNIFICANCE

The transactions set out in paragraphs (B)(2), (B)(3), (B)(4), (B)(6), B(7) and (B)(8) of the section headed “Connected Transactions Entered Into By The Group” above are considered contracts of significance under paragraph 16 of Appendix D2 of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31 December 2025, the five largest customers and the five largest suppliers of the Group accounted for less than 30% of the Group’s revenue and less than 30% of the Group’s total purchases respectively.

EMOLUMENT POLICY, BASIS OF DETERMINING EMOLUMENT TO DIRECTORS AND RETIREMENT BENEFIT SCHEME

Subject to the compliance with relevant rules and regulations, the Company implements an emolument and benefit system comprised of basic salary, incentive bonus and employee benefits. The emolument and employee benefits are reviewed at appropriate time, with reference to both the annual survey on the industry’s remuneration level and the Company’s operating performance. The emoluments of the Directors are determined by reference to the industry’s remuneration level, the Company’s operating performance and the respective responsibilities and performances of the Directors. In addition, the Company set up the Share Option Scheme in 2018. The information of the scheme is set out separately in note 29 to the financial statements and the Report of Directors.

Report of Directors (continued)

EMOLUMENT POLICY, BASIS OF DETERMINING EMOLUMENT TO DIRECTORS AND RETIREMENT BENEFIT SCHEME *(continued)*

With effect from 1 December 2000, the Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. With effect from 1 January 2018, Employer Voluntary Contributions are made, under specific criteria set in the company policy, as a part of the employee benefits program. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme. The only obligation of the Group with respect to these schemes is to make the required contributions under the scheme. Details of these schemes are set out in notes 3 and 9 to the financial statements.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

DONATIONS

During the year, the Group made charitable and other donations amounted to approximately RMB4,640,549.

AUDIT AND RISK MANAGEMENT COMMITTEE

One of the principal duties of the Audit and Risk Management Committee is to review the Group's financial reporting requirements and system, and risk management and internal control systems. The members of the Audit and Risk Management Committee have been satisfied with the Company's financial reporting disclosures and system, and risk management and internal control procedures.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 67 to 90 of this annual report.

Report of Directors (continued)

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company and subject to the provisions of the Companies Ordinance, every Director, former Director, other officer or other former officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto provided that such articles shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has maintained appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year under review.

AUDITOR

Ernst & Young ("EY") has been appointed as auditor of the Company since 2020. The accompanying financial statements of the Group for the year ended 31 December 2025 have been audited by EY.

A resolution will be proposed at the forthcoming annual general meeting to re-appoint EY as auditor of the Company.

On behalf of the Board

Yan Jianguo

Chairman and Executive Director

Hong Kong, 31 March 2026

Independent Auditor's Report



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the members of China Overseas Land & Investment Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Overseas Land & Investment Limited (the "Company") and its subsidiaries (the "Group") set out on pages 127 to 224, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, 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 (the "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 ("HKSA") 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 (continued)



KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of investment properties</i></p> <p>The carrying amount of the investment properties of the Group amounted to approximately RMB205,836 million as at 31 December 2025.</p> <p>Management engaged independent professional valuers to perform the valuation of the Group's investment properties, as further detailed as follows:</p> <ul style="list-style-type: none"> in respect of completed investment properties, the valuation was arrived at using the investment approach by considering the capitalised income derived from existing tenancies and reversionary potential, including reversionary yields and prevailing market rents of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions. in respect of investment properties under construction, the valuation was arrived at using the residual method by making reference to estimated selling prices as available in the relevant market, and taking into account of estimated costs to complete the development and estimated developer's profit as at the date of valuation. 	<p>Our procedures in relation to the valuation of investment properties included:</p> <ul style="list-style-type: none"> assessing the competence, independence and objectivity of the valuers; and assessing, with the assistance of our internal valuation specialists, the methodologies used by the valuers and, on a sample basis, the appropriateness of the key assumptions, including reversionary yields, prevailing market rents and estimated selling prices with reference to comparable market transactions for similar properties, and testing, on a sample basis, the data used in the valuation of properties, including the rental rates from existing tenancies and estimated cost to complete.
<p>The significance of the carrying amount of the investment properties to the consolidated financial statements and the significant judgements and estimates involved in the property valuations warrant specific audit focus.</p> <p>Related disclosures are included in notes 3, 4(a) and 15 to the consolidated financial statements.</p>	

Independent Auditor's Report (continued)



KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
<p><i>Net realisable value of stock of properties</i></p> <p>The Group's stock of properties amounted to approximately RMB490,841 million as at 31 December 2025, representing 54% of the total assets of the Group, and the Group recorded a provision of RMB1,290 million in the consolidated income statement for the year then ended to write down certain of these properties to their estimated net realisable values.</p> <p>Significant management estimation was required in assessing the net realisable values of the stock of properties, including, inter alia, estimated future sales based on current market conditions and, in respect of properties under development, estimated costs to incur to complete the property development. Owing to the significance of these properties and the significant estimations involved in determining the net realisable values, we considered assessing the net realisable values of the stock of properties as a key audit matter.</p> <p>Related disclosures are included in notes 3, 4(c), 6 and 19 to the consolidated financial statements.</p>	<p>Our audit procedures included observing the physical condition of properties, on a sample basis. We obtained an understanding of the sources of data used by the Group for net realisable value estimations and tested the data used on a sample basis. In particular, (i) in respect of future sales estimation, we checked, on a sample basis, the contracted selling prices of the property projects selected and/or recent market prices of properties with comparable locations and conditions; and (ii) in respect of costs to incur to complete the property development, we assessed the reasonableness of the latest construction cost budgets and tested, on a sample basis, the incurred construction costs to supporting evidence.</p>

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.

Independent Auditor's Report (continued)



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 and Risk Management 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 HKSAAs 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.

Independent Auditor's Report (continued)



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with HKSAAs, 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 and Risk Management 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 and Risk Management 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 (continued)



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

From the matters communicated with the Audit and Risk Management 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 Cheng Man (practising certificate number: P05069).

Ernst & Young

Certified Public Accountants

Hong Kong

31 March 2026

Consolidated Income Statement

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	168,088,765	185,154,027
Cost of sales		(142,024,310)	(152,389,366)
		26,064,455	32,764,661
Other income, gains and losses, net	6	1,285,559	325,508
Changes in fair value of investment properties, net	15	271,735	417,316
Selling and distribution expenses		(4,689,667)	(4,520,411)
Administrative expenses		(2,117,314)	(2,293,076)
Operating profit		20,814,768	26,693,998
Share of profits and losses of associates and joint ventures		521,842	649,049
Finance costs	7	(727,597)	(935,133)
Profit before tax		20,609,013	26,407,914
Income tax expense	8	(7,177,544)	(8,620,685)
Profit for the year	9	13,431,469	17,787,229
Attributable to:			
Shareholders of the Company		12,691,186	15,635,658
Non-controlling interests		740,283	2,151,571
		13,431,469	17,787,229
		RMB	RMB
Earnings per share attributable to shareholders of the Company			
Basic and diluted	12	1.16	1.43

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Profit for the year	13,431,469	17,787,229
Other comprehensive income/(loss) for the year		
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of the financial statements of subsidiaries	80,944	(557,066)
Exchange differences on translation of the financial statements of associates	51,298	(244,062)
	132,242	(801,128)
Total comprehensive income for the year	13,563,711	16,986,101
Attributable to:		
Shareholders of the Company	12,821,608	14,819,436
Non-controlling interests	742,103	2,166,665
	13,563,711	16,986,101

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current Assets			
Property, plant and equipment	14	7,138,182	7,300,730
Investment properties	15	205,836,298	208,399,049
Goodwill		56,395	56,395
Interests in associates	17	21,452,391	22,066,963
Interests in joint ventures	18	27,936,775	23,830,115
Financial assets at fair value through profit or loss		236,327	288,382
Other receivables		147,024	183,898
Deferred tax assets	28	7,269,960	7,324,894
Total non-current assets		270,073,352	269,450,426
Current Assets			
Stock of properties and other inventories	19	490,999,739	454,274,446
Land development expenditure	20	4,472,593	5,961,031
Contract assets		109,074	547,451
Trade and other receivables	21	4,064,547	3,406,070
Deposits and prepayments		11,758,078	15,611,399
Deposits for acquisition of land use rights for property development		–	731,860
Amounts due from associates	22	1,068,844	1,060,527
Amounts due from joint ventures	22	5,167,858	6,202,514
Amounts due from non-controlling shareholders	22	4,660,276	4,151,856
Income tax prepaid		19,695,467	20,523,344
Bank balances and cash	23	103,627,513	124,168,228
Non-current assets held for sale	15	–	2,545,229
Total current assets		645,623,989	639,183,955
Total Assets		915,697,341	908,634,381
Non-current Liabilities			
Bank loans	24	142,193,678	149,523,384
Guaranteed notes and corporate bonds	25	62,865,628	63,450,630
Lease liabilities	16	237,781	865,453
Deferred tax liabilities	28	27,911,826	27,733,296
Total non-current liabilities		233,208,913	241,572,763

Consolidated Statement of Financial Position (continued)

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Current Liabilities			
Trade and other payables	26	52,191,364	55,600,731
Pre-sales proceeds	27	125,033,296	132,542,750
Amounts due to fellow subsidiaries	22	1,316,327	1,475,199
Amounts due to associates	22	3,481,226	5,486,399
Amounts due to joint ventures	22	3,849,615	3,838,405
Amounts due to non-controlling shareholders	22	13,149,337	13,717,430
Bank loans	24	30,726,935	16,633,612
Guaranteed notes and corporate bonds	25	11,589,193	11,956,352
Lease liabilities	16	93,170	117,756
Income tax liabilities		21,158,803	23,862,986
Total current liabilities		262,589,266	265,231,620
Total Liabilities		495,798,179	506,804,383
Net Assets		419,899,162	401,829,998
Equity			
Equity attributable to shareholders of the Company:			
Share capital	29	74,035,443	74,035,443
Reserves		313,912,343	306,575,534
Non-controlling interests		387,947,786	380,610,977
		31,951,376	21,219,021
Total Equity		419,899,162	401,829,998

Yan Jianguo
Executive Director

Zhang Zhichao
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to shareholders of the Company								Total equity RMB'000
	Share capital RMB'000	Property revaluation reserve RMB'000 <i>(Note (a))</i>	Exchange fluctuation reserve RMB'000	Merger and other reserves RMB'000 <i>(Note (b))</i>	PRC statutory reserve RMB'000 <i>(Note (c))</i>	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2024	74,035,443	284,461	(1,314,167)	(11,922,232)	11,952,116	299,982,207	373,017,828	19,893,880	392,911,708
Profit for the year	-	-	-	-	-	15,635,658	15,635,658	2,151,571	17,787,229
Exchange differences on translation of the financial statements of subsidiaries	-	-	(572,160)	-	-	-	(572,160)	15,094	(557,066)
Exchange differences on translation of the financial statements of associates	-	-	(244,062)	-	-	-	(244,062)	-	(244,062)
Total comprehensive income/ (loss) for the year	-	-	(816,222)	-	-	15,635,658	14,819,436	2,166,665	16,986,101
2023 final dividend	-	-	-	-	-	(4,536,107)	(4,536,107)	-	(4,536,107)
2024 interim dividend	-	-	-	-	-	(2,962,014)	(2,962,014)	-	(2,962,014)
Contributions from non-controlling shareholders	-	-	-	-	-	-	-	2,964,146	2,964,146
Return of capital to non-controlling shareholders	-	-	-	-	-	-	-	(2,630,128)	(2,630,128)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(713,612)	(713,612)
Transfer to PRC statutory reserve	-	-	-	-	104,913	(104,913)	-	-	-
Acquisition of additional interests in subsidiaries	-	-	-	-	-	187,630	187,630	(461,930)	(274,300)
Transfer of share option reserve when the related options lapsed <i>(Note 29)</i>	-	-	-	(322,348)	-	322,348	-	-	-
Others	-	-	-	-	-	84,204	84,204	-	84,204
At 31 December 2024	74,035,443	284,461*	(2,130,389)*	(12,244,580)*	12,057,029*	308,609,013*	380,610,977	21,219,021	401,829,998

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2025

	Attributable to shareholders of the Company								
	Share capital RMB'000	Property revaluation reserve RMB'000 (Note (a))	Exchange fluctuation reserve RMB'000	Merger and other reserves RMB'000 (Note (b))	PRC statutory reserve RMB'000 (Note (c))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	74,035,443	284,461	(2,130,389)	(12,244,580)	12,057,029	308,609,013	380,610,977	21,219,021	401,829,998
Profit for the year	-	-	-	-	-	12,691,186	12,691,186	740,283	13,431,469
Exchange differences on translation of the financial statements of subsidiaries	-	-	79,124	-	-	-	79,124	1,820	80,944
Exchange differences on translation of the financial statements of associates	-	-	51,298	-	-	-	51,298	-	51,298
Total comprehensive income for the year	-	-	130,422	-	-	12,691,186	12,821,608	742,103	13,563,711
2024 final dividend	-	-	-	-	-	(2,987,953)	(2,987,953)	-	(2,987,953)
2025 interim dividend	-	-	-	-	-	(2,517,323)	(2,517,323)	-	(2,517,323)
Acquisition of a subsidiary (Note 30)	-	-	-	-	-	-	-	3,338,424	3,338,424
Contributions from non-controlling shareholders	-	-	-	-	-	-	-	9,860,000	9,860,000
Return of capital to non-controlling shareholders	-	-	-	-	-	-	-	(2,037,926)	(2,037,926)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(1,170,246)	(1,170,246)
Transfer to PRC statutory reserve	-	-	-	-	3,413,564	(3,413,564)	-	-	-
Others	-	-	-	-	-	20,477	20,477	-	20,477
At 31 December 2025	74,035,443	284,461*	(1,999,967)*	(12,244,580)*	15,470,593*	312,401,836*	387,947,786	31,951,376	419,899,162

* These reserve accounts comprise the consolidated reserves of RMB313,912,343,000 (2024: RMB306,575,534,000) in the consolidated statement of financial position as at 31 December 2025.

Notes:

- (a) The property revaluation reserve mainly represents the surplus on revaluation of properties (net of income tax) upon changes in use of relevant properties from owner-occupied properties to investment properties.
- (b) Merger reserve mainly arose from the acquisition of subsidiaries in 2015 by the Group from China State Construction Engineering Corporation Limited ("CSCECL") and in 2016 from CITIC Limited, which are all state-owned enterprises under common control of the State Council of the People's Republic of China (the "PRC"). Other reserves include share option reserve which represents the fair value of share options granted that are yet to be exercised. 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, lapse or be forfeited.
- (c) The PRC statutory reserve of the Group represents the general and development fund reserve applicable to subsidiaries established in accordance with the relevant PRC regulations.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Profit before tax		20,609,013	26,407,914
Adjustments for:			
Share of profits and losses of associates and joint ventures		(521,842)	(649,049)
Finance costs		727,597	935,133
Depreciation	9	460,421	459,527
Interest income	6	(1,132,300)	(1,599,196)
Changes in fair value of financial assets at fair value through profit or loss, net	6	–	(70,209)
Changes in fair value of investment properties, net		(271,735)	(417,316)
Loss/(gain) on disposal of property, plant and equipment, net	6	67	(9,322)
Gains on disposal of subsidiaries	6	(591,788)	–
Gain on bargain purchase of a subsidiary	6	(629,612)	–
Provision for stock of properties	6	1,289,510	745,040
Impairment losses of amounts due from associates and joint ventures	6	99,558	537,177
Effect of foreign exchange rate changes		(130,975)	254,419
		19,907,914	26,594,118
Interest received		1,073,179	1,437,466
Decrease in stock of properties and other inventories		6,152,680	41,229,125
Decrease in land development expenditure		1,488,438	2,643,892
Decrease in contract assets		438,377	446,090
Decrease in trade and other receivables, deposits and prepayments		4,293,006	567,462
Decrease/(increase) in deposits for acquisition of land use rights for property development		731,860	(527,340)
Decrease in restricted bank deposits		49,125	8,997
Decrease in trade and other payables and pre-sales proceeds		(8,167,454)	(8,063,359)
Cash generated from operations		25,967,125	64,336,451
Income taxes paid		(9,233,670)	(17,882,511)
NET CASH FLOWS FROM OPERATING ACTIVITIES		16,733,455	46,453,940
INVESTING ACTIVITIES			
Dividends received from associates		244,359	493,326
Dividends received from joint ventures		251,802	409,396
Acquisition of a subsidiary	30	(7,857,108)	–
Purchases of property, plant and equipment		(226,023)	(198,035)
Additions of investment properties		(5,399,231)	(4,065,424)
Advances to associates		(71,512)	(7,355)
Repayment from associates		87,834	516,901
Advances to joint ventures		(6,199,978)	(2,025,516)
Repayment from joint ventures		1,997,668	2,923,296
Advances to non-controlling shareholders		(1,535,286)	(1,381,817)
Repayment from non-controlling shareholders		976,089	1,215,964
Acquisition of associates and capital contributions to associates		(1,805,813)	(116,000)
Return of capital from associates		2,940,016	1,526,200
Capital contributions to joint ventures		–	(45,000)
Return of capital from joint ventures		106,657	233,374
Disposal of subsidiaries	31	2,872,027	–
Net proceeds from disposal of property, plant and equipment		9,297	30,323
Net proceeds from disposal of investment properties		3,343,980	2,332,202
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		(10,265,222)	1,841,835

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES			
Interest paid		(6,957,096)	(9,029,187)
Other finance costs paid		(13,511)	(36,698)
Dividends paid to shareholders of the Company		(5,505,276)	(7,498,121)
Dividends paid to non-controlling shareholders		(1,110,246)	(708,712)
New bank loans raised		42,579,784	77,456,700
Repayment of bank loans		(55,557,006)	(77,261,894)
Issue of guaranteed notes and corporate bonds		11,800,000	9,000,000
Redemption of guaranteed notes and corporate bonds		(11,963,583)	(26,745,780)
Contributions from non-controlling shareholders		5,232,000	2,964,146
Return of capital to non-controlling shareholders		(2,037,926)	(2,630,128)
Repayment to fellow subsidiaries		(144,652)	(1,108,860)
Advances from associates		406,090	1,753,263
Repayment to associates		(2,464,243)	(495,013)
Advances from joint ventures		82,178	609,425
Repayment to joint ventures		(81,219)	(702,723)
Advances from non-controlling shareholders		1,554,048	7,662,274
Repayment to non-controlling shareholders		(2,600,352)	(2,678,693)
Principal element of lease payments		(83,688)	(73,129)
Acquisition of additional interests in subsidiaries		–	(274,300)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(26,864,698)	(29,797,430)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(20,396,465)	18,498,345
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		123,892,213	105,344,021
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET		(95,125)	49,847
CASH AND CASH EQUIVALENTS AT END OF YEAR		103,400,623	123,892,213
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash as stated in the consolidated statement of financial position		103,627,513	124,168,228
Less: Restricted bank deposits	23	(226,890)	(276,015)
Cash and cash equivalents as stated in the consolidated statement of cash flows		103,400,623	123,892,213

Notes to the Financial Statements

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

China Overseas Land & Investment Limited (the “Company”) is a public company limited by shares incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The registered office and principal place of business of the Company are situated at 10/F, Three Pacific Place, 1 Queen’s Road East, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in property development, commercial property operations and other businesses. These business activities are principally carried out in Hong Kong, Macau, the United Kingdom, Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Jinan, Shenyang, Chengdu, Dalian, Xi’an, Nanjing, Hangzhou, Changchun, Qingdao, Suzhou and other regions in Chinese mainland.

The Company’s immediate holding company is China Overseas Holdings Limited, which is incorporated in Hong Kong, and the ultimate holding company of the Company is China State Construction Engineering Corporation (“CSCEC”), which is a state-owned enterprise established in the PRC and under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Particulars of the Company’s principal subsidiaries as set out in note 39 to the financial statements.

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 (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), the Hong Kong Companies Ordinance (Cap. 622) and the disclosure requirements of The Rules Governing the Listing of Securities (the “Listing Rules”) on the Hong Kong Stock Exchange. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company, 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 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).

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2.1. BASIS OF PREPARATION (continued)

Basis of Consolidation (continued)

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. Where necessary, adjustments are made to bring into line any dissimilar accounting policies that may exist. Other than those subsidiaries acquired under business combinations under common control which are consolidated from the date when combining entities first come under the control of the controlling shareholder of the Company or from the earliest date presented in these financial statements, whichever is the latter, the results of other subsidiaries are consolidated from the date of acquisition, being 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 shareholders of the Company 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.

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 applied Amendments to HKFRS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The application of these amendments has had no material impact on the Group's results and financial position.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2.3. ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that are applicable to the Group and have been issued but are not yet effective, in these financial statements:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instrument¹</i>
Annual Improvements to HKFRS Accounting Standards – Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7¹</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures²</i>

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

The Group intends to apply the above new and amended HKFRS Accounting Standards when they become effective. The Group has already commenced an assessment of their impact. So far, it has assessed that, except for HKFRS 18 as further described below, the adoption of them is unlikely to have a significant impact on the Group's financial statements.

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 consolidated income statement, including specified totals and subtotals. Entities are required to classify all income and expenses within the consolidated income statement 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES

Business Combinations and Goodwill

Business combinations under common control

Business combinations of entities under common control are accounted for using the principle of merger accounting in accordance with Accounting Guideline 5 (Revised) *Merger Accounting for Common Control Combinations* issued by the HKICPA. Under the principle of merger accounting, the consolidated financial statements incorporate the financial statements of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are combined using the existing book values from the controlling parties' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interests. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded (net of any reserves of the acquired entities) is recognised directly in equity as part of the merger reserve. Acquisition-related costs are recognised as expenses in profit or loss as incurred.

The consolidated profit or loss and the consolidated other comprehensive income include the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under common control, where this is a shorter period, regardless of the date of the common control combination.

Other business combinations and goodwill

Other business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is the sum of 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, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits*, respectively;
- (b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or the replacement of the acquiree's share-based payment arrangements with the share-based payment arrangements of the acquirer are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Business Combinations and Goodwill (continued)

Other business combinations and goodwill (continued)

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.

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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Fair Value Measurement

The Group measures its investment properties and financial assets at fair value through profit or loss at 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 the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Interests 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 unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, interests in associates or joint ventures are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise (i) the Group's share of post-acquisition profit or loss and other comprehensive income of associates or joint ventures; and (ii) any impairment losses on the interests in associates or joint ventures. When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

Upon acquisition of an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

If an interest in an associate becomes an interest 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 cases, upon loss of significant influence or joint control over that associate or joint venture, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKFRS 9 *Financial Instruments*. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the total of the fair value of the retained investment and proceeds from the disposal is recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Interests in Associates and Joint Ventures (continued)

When the Group transacts with its associate or joint venture, profits and losses resulting from the transactions with associates or joint ventures are recognised in profit or loss only to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. When the Group disposes of a business to its associate or joint venture with a loss of control over the business, the entire gain or loss on 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.

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; or
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a holding company 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 holding company, 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 holding company 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 a holding company of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

Property, plant and equipment (including right-of-use assets), other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. 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, construction costs, capitalised borrowing costs on related borrowed funds during the period of construction 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 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 provided to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life, using the straight-line method. The estimated useful lives used for this purpose are as follows:

Leasehold land and buildings	Over the shorter of the lease term and the estimated useful lives of the assets
Prepaid lease payments for land	Over the shorter of the lease term and the estimated useful lives of the assets
Other right-of-use assets	3 to 10 years
Hotel buildings	Over the shorter of the lease term and the estimated useful lives of the assets
Plant, machinery and equipment	3 to 10 years
Furniture, fixtures, office equipment and motor vehicles	3 to 8 years

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 is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss on disposal or retirement, being the difference between the net sales proceeds and the carrying amount of the asset, is recognised in profit or loss in the period in which the asset is derecognised.

Construction in progress is stated at cost, less any accumulated impairment losses. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Investment Properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rentals and/or for capital appreciation.

Such properties are initially measured at cost, including purchase price, construction costs, capitalised borrowing costs on related borrowed funds during the period of construction and any directly attributable 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 value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss on the disposal or retirement of an investment property, being the difference between the net sales proceeds and the carrying amount of the asset, is recognised in profit or loss in the period of the asset is derecognised.

For a transfer from stock of properties to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

For a transfer from investment properties to owner-occupied properties or stock of properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use.

When 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" for owned property 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 follows:

- (a) any resulting decrease in the carrying amount of the property is recognised in profit or loss in the period the change in use takes place; or
- (b) any resulting increase in the carrying amount is credited to profit or loss, to the extent that the increase reverses a previous impairment loss for that property, or restores the carrying amount of the property to an amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the property in prior periods; and any remaining part of the increase in the carrying amount is credited directly to equity in the property revaluation reserve. On subsequent disposal of the property, the relevant portion of the property revaluation reserve realised is transferred to retained profits as a movement in reserves.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases

Group as a lessee

A right-of-use asset and a corresponding lease liability are recognised at the commencement date of a lease (that is the date the leased asset is available for use by the Group). Right-of-use assets and lease liabilities are presented within "Property, plant and equipment" or "Investment properties" in and separately presented on the face of the consolidated statement of financial position, respectively.

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

Assets and liabilities arising from a lease are initially measured on a present value basis.

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

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

Lease liabilities include the net present value of the following lease payments:

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

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

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

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

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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. 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 asset held under a finance lease is capitalised at the present value of the lease payments and related payments (including initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease, which is measured using the interest rate implicit in the lease. Subsequent to initial measurement, finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease.

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.

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 classified as held for sale are not depreciated.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of Non-Financial Assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. 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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss in the period in which it arises.

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 had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss in the period in which it arises.

Financial Assets

Classification

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

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

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

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

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Assets (continued)

Initial recognition and measurement

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.

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

Subsequent measurement

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Assets (continued)

Subsequent measurement (continued)

(b) Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in profit or loss as other gains/(losses) in the consolidated income statement as applicable. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Impairment

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

For trade receivables and contract assets that do not contain a significant financing component, and lease receivables, the Group applies the simplified approach permitted by HKFRS 9 *Financial Instruments* which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment of financial assets measured at amortised cost other than trade receivables, contract assets and lease receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit loss.

When there is a significant increase in credit risk or the proceeds receivable are not settled in accordance with the terms stipulated in the agreements, management considers these receivables as underperforming or non-performing and impairment is measured as lifetime expected credit losses.

When management considers that there is no reasonable expectation of recovery, the financial assets measured at amortised cost will be written off.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Liabilities

Initial recognition and measurement

Financial liabilities are all classified, at initial recognition, as financial liabilities at amortised cost, which are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in 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 profit or loss.

Derecognition

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 profit or loss.

Supplier Finance Arrangement

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade payables in the consolidated 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 payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows. Otherwise, the financial liabilities are classified in bank loans in the consolidated statement of financial position and the related cash flows are included in financing activities in the consolidated statement of cash flows.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments*; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the revenue recognition policy in profit or loss.

Inventories

Stock of properties

Properties under development comprise leasehold land and land use rights, development expenditure and borrowing costs capitalised, and are carried at the lower of cost and net realisable value. Net realisable value takes into account the proceeds ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to complete. Upon completion, the properties are transferred to completed properties held for sale. Properties under development included in the current assets are expected to be realised in, or is intended for sale in the Group's normal operating cycle.

Completed properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Subsequently, properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is determined by reference to management's estimates based on prevailing market conditions.

Other inventories

Other inventories, representing raw materials and consumables, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated 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 include cash on hand, deposits held at call with banks and other short-term highly liquid investments as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Contract Assets and Contract Liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as a contract asset if the cumulative revenue recognised in profit or loss exceeds cumulative payments made by customers. Conversely, the contract is a liability and recognised as a contract liability if the cumulative payments made by customers exceeds the revenue recognised in profit or loss.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligations.

Contract Costs

Other than the costs which are capitalised as inventories, and property, plant and equipment, costs incurred to fulfil a contract with a customer (including stamp duties and sales commission incurred directly attributable for obtaining a pre-sale property contract) 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.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to 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.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Own equity instruments which are reacquired by the Company or the Group are recognised directly in equity at cost. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Borrowing Costs

Borrowing costs include interest expense, interest in respect of lease liabilities and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the Group's subsidiaries had borrowed funds in their functional currencies, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e., the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e., RMB) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rate for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences so arising, if any, are recognised in other comprehensive income and accumulated in equity within the exchange fluctuation reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Foreign Currencies (continued)

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the shareholders of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in equity within the exchange fluctuation reserve.

Employee Benefits

Retirement benefits

The Group participates in a mandatory provident fund scheme in Hong Kong which is a defined contribution plan generally funded through payments to a trustee-administered fund. The assets of the scheme are held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the government in the Chinese mainland, the subsidiaries in the Chinese mainland participate in the municipal government defined contribution scheme whereby the subsidiaries are required to contribute to the scheme for the retirement benefit of eligible employees. The municipal government of the Chinese mainland is responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the scheme is to pay the ongoing contributions required by the scheme.

The Group's contributions to these defined contribution schemes are expensed in profit or loss as incurred.

Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

Share-based payments

The Company operates a share option scheme, under which the Group receives services from employees as consideration for share options of the Company. The fair value of the employee services received in exchange for the grant of the share options is recognised as an employee benefit expense with a corresponding increase in equity over the period in which the performance and/or service conditions are fulfilled. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and minimal employment period of employees in the Group); and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to hold shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of share options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The grant by the Company of equity instruments over its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in investments in subsidiaries, with a corresponding credit to equity in the Company's accounts.

At the end of each reporting period, the Company revises its estimates of the number of equity instruments that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the share option reserve. When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital. When the share options are forfeited after the vesting date or still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, except that deferred tax is not recognised for the Pillar Two income taxes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current tax and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

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 entitles in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold or services provided in the normal course of business, net of discount.

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.

(a) Property development

The Group recognises revenue from the sale of a property at a point in time when the customer obtains control of the property and the Group satisfies the performance obligation.

Proceeds received from buyers prior to meeting the revenue recognition criteria are included in contract liabilities and presented in "Pre-sales proceeds" in the consolidated statement of financial position.

(b) Construction services

Revenue from the provision of construction 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 construction services.

(c) Material procurement services

Revenue from material procurement services is recognised at the point in time when control of the material is transferred to the customer, generally on delivery of the material.

(d) Hotel operation, building design consultancy and supply chain management services

Revenue from hotel operation, building design consultancy and supply chain management services are recognised when services are provided.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Other revenue and income

(a) Property rentals

Rental income from operating leases lessor is recognised as revenue on the straight-line basis over the lease term.

(b) Dividend income

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

(c) Interest 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.

Provisions and Contingent Liabilities

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is recognised in profit or loss net of any reimbursement.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs in profit or loss.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements when, in respect of a final dividend distribution, it is approved by the Company's shareholders in a general meeting, or in respect of an interim dividend distribution, it is proposed and declared by the directors of the Company.

Events after the Reporting Period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue of the financial statements, 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 related 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The major judgements, estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out below:

(a) Fair Value of Investment Properties

Investment properties of the Group are carried at their fair values of RMB205,836,298,000 (2024: RMB210,944,278,000) as at 31 December 2025. The fair values were based on valuations on these properties conducted by independent firms of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Impairment Assessment of Interests in and Amounts Due from Associates and Joint Ventures

The carrying amounts of the Group's net investments in associates and joint ventures (representing interests in and amounts due from these companies), which mainly undertake property development projects in the Chinese mainland and Hong Kong, as at 31 December 2025 were RMB22,521,235,000 (2024: RMB23,127,490,000) and RMB33,104,633,000 (2024: RMB30,032,629,000), respectively.

Management performed impairment assessment on these net investments based on the estimated net realisable value of the stock of properties held by the associates and joint ventures which involve significant judgements and estimates including, inter alia, considerable analysis of the current market price of properties of a comparable standard and location, construction costs to be incurred to complete the development project based on the existing asset structure and a forecast of future sales based on a zero growth rate of the property price. If the actual net realisable values of the stock of properties are more or less than expected as a result of changes in market conditions and/or significant variation in the budgeted development costs, a material reversal of or provision for impairment losses may result.

The recoverable amount of the investment in a listed associate which had an impairment indicator is evaluated based on its value in use. If the actual value in use is more or less than expected as a result of changes in operating performance of the listed associate, a material reversal of or provision for impairment losses may result.

(c) Impairment of Stock of Properties

At 31 December 2025, the carrying amount of the Group's stock of properties was RMB490,840,986,000 (2024: RMB454,100,777,000). Management assessed the recoverability of the amount based on estimation of the net realisable values of the underlying properties, which involves significant judgements and estimates including, inter alia, considerable analysis of the current market price of properties of a comparable standard and location, construction costs to be incurred to complete the development project based on the existing asset structure and a forecast of future sales based on a zero growth rate of the property price. If the actual net realisable values of the stock of properties are more or less than expected as a result of changes in market conditions and/or significant variation in the budgeted development costs, a material reversal of or provision for impairment losses may result.

(d) Land Appreciation Tax ("LAT")

LAT is levied on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditure including land costs, borrowing costs and other property development expenditure.

The subsidiaries engaging in the property development business in the PRC are subject to LAT, which have been included in the income tax expense. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its LAT returns with various tax authorities for certain development projects. Accordingly, judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these tax liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax expense and provisions for LAT in the period in which such determination is made.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION

The Group managed its business units based on their products and services, and in accordance with which information is prepared and reported to the Group's management for the purposes of resources allocation and performance assessment. The Group has three reportable segments as follows:

Property development	–	property development for sale
Commercial property operations	–	leasing of properties for rentals, hotel and other commercial property operations
Other businesses	–	provision of material procurement and supply chain management services, construction and building design consultancy services and others

For the purposes of monitoring segment performances and allocating resources between segments:

- Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income on bank deposits, corporate expenses, finance costs and net foreign exchange gains/losses recognised in the consolidated income statement are excluded from such measurement.
- all assets are allocated to reportable segments other than bank balances and cash; and
- all liabilities are allocated to reportable segments other than bank loans, guaranteed notes and corporate bonds.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

Segment Revenue and Results

The following is an analysis of the Group's revenue and results (including share of profits and losses of associates and joint ventures) by reportable segment:

Year ended 31 December 2025

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Revenue from contracts with customers (Note (a))	156,773,818	994,412	4,114,500	161,882,730
Revenue from another source (Note (b))	–	6,206,035	–	6,206,035
Segment revenue from external customers	156,773,818	7,200,447	4,114,500	168,088,765
Inter-segment revenue	–	–	4,169,106	4,169,106
Total segment revenue	156,773,818	7,200,447	8,283,606	172,257,871
Reconciliation: Elimination of inter-segment revenue				(4,169,106)
Consolidated revenue				168,088,765
Segment result (including share of profits and losses of associates and joint ventures)	16,048,243	4,018,381	202,907	20,269,531
Reconciliation: Interest income on bank deposits				1,040,139
Corporate expenses				(104,035)
Finance costs				(727,597)
Net foreign exchange gains recognised in the consolidated income statement				130,975
Consolidated profit before tax				20,609,013

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

Segment Revenue and Results (continued)

Year ended 31 December 2024

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Revenue from contracts with customers (Note (a))	174,716,382	1,029,583	3,308,303	179,054,268
Revenue from another source (Note (b))	–	6,099,759	–	6,099,759
Segment revenue from external customers	174,716,382	7,129,342	3,308,303	185,154,027
Inter-segment revenue	–	–	5,044,383	5,044,383
Total segment revenue	174,716,382	7,129,342	8,352,686	190,198,410
Reconciliation:				
Elimination of inter-segment revenue				(5,044,383)
Consolidated revenue				185,154,027
Segment result (including share of profits and losses of associates and joint ventures)	22,645,548	3,531,024	150,565	26,327,137
Reconciliation:				
Interest income on bank deposits				1,357,788
Corporate expenses				(87,459)
Finance costs				(935,133)
Net foreign exchange losses recognised in the consolidated income statement				(254,419)
Consolidated profit before tax				26,407,914

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

Segment Revenue and Results (continued)

Notes:

- (a) Revenue from contracts with customers

Disaggregated revenue information Year ended 31 December 2025

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
By timing of revenue recognition				
– Recognised at a point in time	156,773,818	–	3,759,759	160,533,577
– Recognised over time	–	994,412	354,741	1,349,153
	156,773,818	994,412	4,114,500	161,882,730
By geographical market				
Chinese mainland	155,815,248	926,983	4,077,876	160,820,107
Hong Kong and Macau	958,570	67,429	36,624	1,062,623
	156,773,818	994,412	4,114,500	161,882,730

Year ended 31 December 2024

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
By time of revenue recognition				
– Recognised at a point in time	174,716,382	–	2,797,857	177,514,239
– Recognised over time	–	1,029,583	510,446	1,540,029
	174,716,382	1,029,583	3,308,303	179,054,268
By geographical market				
Chinese mainland	170,178,547	964,335	3,270,401	174,413,283
Hong Kong and Macau	4,537,835	65,248	37,902	4,640,985
	174,716,382	1,029,583	3,308,303	179,054,268

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

Segment Revenue and Results (continued)

Notes: (continued)

(a) Revenue from contracts with customers (continued)

Performance obligations

The performance obligations in respect of sale of properties are satisfied at a point in time when customers obtain control of the properties and the Group has the right to payment and collection of the consideration is probable. Payment is in according to the terms of the relevant sale and purchase agreements.

Commercial property operations mainly include hotel operations. The performance obligations of the hotel operations are satisfied over time as services are rendered and payment is generally received in advance.

Other businesses mainly include provision of material procurement and supply chain management services, construction and building design consultancy services. The performance obligations in respect of provision of material procurement and supply chain management services are satisfied at point in time and certain credit period is allowed to the customers. The performance obligations of construction and building design consultancy services are satisfied over time as services are rendered and certain credit period is allowed to the customers.

(b) Revenue from another source represents rental income from leasing of properties to third parties.

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

At 31 December 2025

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Segment assets (including interests in and amounts due from associates and joint ventures)	596,705,223	213,156,138	2,208,467	812,069,828
Unallocated item: Bank balances and cash				103,627,513
Consolidated total assets				915,697,341
Segment liabilities (including amounts due to associates and joint ventures)	213,107,331	27,482,332	7,833,082	248,422,745
Unallocated items: Bank loans				172,920,613
Guaranteed notes and corporate bonds				74,454,821
Consolidated total liabilities				495,798,179

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

Segment Assets and Liabilities (continued)

At 31 December 2024

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Segment assets (including interests in and amounts due from associates and joint ventures)	564,316,682	218,209,754	1,939,717	784,466,153
Unallocated item: Bank balances and cash				124,168,228
Consolidated total assets				908,634,381
Segment liabilities (including amounts due to associates and joint ventures)	228,588,720	28,124,877	8,526,808	265,240,405
Unallocated items: Bank loans				166,156,996
Guaranteed notes and corporate bonds				75,406,982
Consolidated total liabilities				506,804,383

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION *(continued)*

Other Segment Information

Year ended 31 December 2025

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Amounts included in the measurement of segment results and segment assets:				
Additions to non-current assets <i>(Note)</i>	47,246	2,158,824	40,564	2,246,634
Interests in associates and joint ventures	49,071,569	317,597	–	49,389,166
Depreciation	64,129	321,172	75,120	460,421
Provision for stock of properties	1,289,510	–	–	1,289,510
Impairment losses of amounts due from associates and joint ventures	99,558	–	–	99,558
Changes in fair value of investment properties, net	–	271,735	–	271,735
Interest income on amounts due from associates and joint ventures	80,521	–	–	80,521
Share of profits and losses of associates and joint ventures	521,842	–	–	521,842
Gain on bargain purchase of a subsidiary	629,612	–	–	629,612
Gains on disposal of subsidiaries	–	591,788	–	591,788

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

Other Segment Information (continued)

Year ended 31 December 2024

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Amounts included in the measurement of segment results and segment assets:				
Additions to non-current assets (<i>Note</i>)	28,556	4,506,850	53,883	4,589,289
Interests in associates and joint ventures	45,897,078	–	–	45,897,078
Depreciation	76,437	294,619	88,471	459,527
Provision for stock of properties	745,040	–	–	745,040
Impairment losses of amounts due from associates and joint ventures	537,177	–	–	537,177
Changes in fair value of investment properties, net	–	417,316	–	417,316
Interest income on amounts due from associates, joint ventures and non-controlling shareholders	228,263	–	–	228,263
Share of profits and losses of associates and joint ventures	649,049	–	–	649,049

Note: Non-current assets exclude interests in associates and joint ventures, financial assets at fair value through profit or loss, other receivables and deferred tax assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

5. SEGMENT INFORMATION (continued)

Geographical Information

The Group's property development, commercial property operations and other businesses are carried out in the PRC and the United Kingdom. The following table provides a geographical analysis of the Group's revenue from external customers (based on where the products and services are delivered or provided) and non-current assets (based on the location of assets):

	Revenue		Non-current assets (Note)	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The PRC:				
Southern Region	42,960,528	51,637,298	31,118,020	32,876,558
Eastern Region	47,682,839	35,527,900	75,484,168	74,813,048
Central and Western Region	19,014,618	36,514,493	22,706,650	23,657,549
Northern Region	57,028,082	56,433,628	78,011,706	77,530,938
Hong Kong and Macau	1,135,782	4,715,814	1,971,267	2,065,110
	167,821,849	184,829,133	209,291,811	210,943,203
The United Kingdom	266,916	324,894	3,739,064	4,812,971
Total	168,088,765	185,154,027	213,030,875	215,756,174

Note: Non-current assets exclude interests in associates and joint ventures, financial assets and deferred tax assets.

Information about Major Customers

There was no single customer which contributed 10% or more of the Group's revenue for each of the years ended 31 December 2025 and 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

6. OTHER INCOME, GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Interest income on bank deposits	1,040,139	1,357,788
Interest income on amounts due from associates, joint ventures and non-controlling shareholders	80,521	228,263
Other interest income	11,640	13,145
Total interest income	1,132,300	1,599,196
Net foreign exchange gains/(losses)	130,975	(605,575)
Add: Exchange losses attributable to interest costs of foreign currency debts capitalised in properties under development	–	351,156
Net foreign exchange gains/(losses) recognised in the consolidated income statement	130,975	(254,419)
Changes in fair value of financial assets at fair value through profit or loss, net	–	70,209
Gain on bargain purchase of a subsidiary	629,612	–
Gains on disposal of subsidiaries	591,788	–
Provision for stock of properties	(1,289,510)	(745,040)
Impairment losses of amounts due from associates and joint ventures	(99,558)	(537,177)
(Loss)/gain on disposal of property, plant and equipment, net	(67)	9,322
Other	190,019	183,417
Total other income, gains and losses, net	1,285,559	325,508

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

7. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank loans, guaranteed notes and corporate bonds	6,916,412	8,787,751
Interest on amounts due to joint ventures and non-controlling shareholders	81,087	151,612
Interest on lease liabilities	13,511	36,698
Other finance costs	139,630	213,691
Total finance costs	7,150,640	9,189,752
Less: Amount capitalised in properties under development and investment properties under construction*	(6,423,043)	(8,254,619)
	727,597	935,133

* Finance costs capitalised during the year are calculated by applying a weighted average capitalisation rate of 2.5% (2024: 3.02%) per annum to expenditure on qualifying assets.

8. INCOME TAX EXPENSE

	Notes	2025 RMB'000	2024 RMB'000
Current tax:			
PRC Corporate Income Tax ("CIT")	(a)	5,403,233	5,518,333
PRC LAT	(b)	1,723,209	2,393,800
PRC withholding income tax	(c)	213,417	70,637
Hong Kong profits tax	(a)	13,272	16,409
Macau income tax	(a)	4,738	5,931
Others		25,106	29,025
Deferred tax (Note 28)		7,382,975 (205,431)	8,034,135 586,550
Total		7,177,544	8,620,685

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

8. INCOME TAX EXPENSE (continued)

Notes:

(a) Applicable income tax rates

A summary of applicable income tax rates of the jurisdictions in which majority of the Group's operations are located is as follows:

	2025 %	2024 %
Chinese mainland*	25	25
Hong Kong	16.5	16.5
Macau	12	12

* In accordance with the relevant tax laws and regulations of the PRC, certain subsidiaries of the Group established in Chinese mainland enjoy the preferential corporate income tax rate of 15%.

(b) The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

(c) The PRC withholding income tax is imposed on dividends distributed or expected to be distributed from PRC subsidiaries to their immediate holding companies incorporated or operated in Hong Kong at the concession tax rate of 5% (2024: 5%).

(d) Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation was gazetted in Hong Kong on 6 June 2025, the jurisdiction in which the Company is listed, and has come into effect retroactively from 1 January 2025. As of 31 December 2025, Pillar Two legislation has been enacted or substantively enacted and has taken effect in Hong Kong and the United Kingdom in which the Group has operations.

The Group has assessed its potential exposure based on the information available regarding the full-year financial performance of the Group in the year ended 31 December 2025. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional Country-by-Country Reporting safe harbour for most of the jurisdictions in which the Group operates, and hence the Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

8. INCOME TAX EXPENSE (continued)

Notes: (continued)

- (e) A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rate of the PRC in which majority of the Group's operations are undertaken to the income tax expense recognised in the consolidated income statement for the year is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	20,609,013	26,407,914
Income tax expense at the PRC statutory tax rate of 25% (2024: 25%)	5,152,253	6,601,978
PRC withholding income tax	213,417	70,637
PRC LAT	1,723,209	2,393,800
Tax effect of PRC LAT	(430,802)	(598,450)
Tax effect of share of profits and losses of associates and joint ventures	(130,460)	(162,262)
Tax effect of expenses not deductible for tax purpose	1,060,145	904,638
Tax effect of income not taxable for tax purpose	(303,990)	(92,898)
Effect of different tax rates	(11,970)	(164,629)
Over-provision in prior years	(133,922)	(225,427)
Others	39,664	(106,702)
Income tax expense for the year	7,177,544	8,620,685

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

9. PROFIT FOR THE YEAR

Profit for the year is arrived at after charging/(crediting):

	2025 RMB'000	2024 RMB'000
Auditor's remuneration:		
Audit services	11,752	11,419
Non-audit services	812	1,320
	12,564	12,739
Depreciation	460,421	459,527
Staff costs (including directors' remuneration):		
Wages and salaries	1,661,905	1,828,400
Defined contribution scheme contributions [#]	213,239	213,726
	1,875,144	2,042,126
Share of tax of associates and joint ventures*	580,768	718,888
Cost of stock of properties and other inventories recognised as expenses	137,307,990	147,703,693
Rental income from investment properties	(5,935,669)	(5,938,589)
Less: Direct expenses that generated rental income	2,647,381	2,579,447
	(3,288,288)	(3,359,142)

[#] During the year ended 31 December 2025, the aggregate amount of forfeited contributions in respect of employees who left before their interests vested fully and thus utilised to reduce contributions during the year was RMB168,000 (2024: RMB3,000).

^{*} This item is included in share of profits and losses of associates and joint ventures in the consolidated income statement.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

10. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance (Cap. 622) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	1,377	1,374
Other emoluments:		
Salaries, allowances and benefits-in-kind	4,085	5,156
Performance related bonuses	1,730	2,665
Defined contribution scheme contributions	315	231
	6,130	8,052
Total directors' remuneration	7,507	9,426

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

10. DIRECTORS' REMUNERATION (continued)

An analysis of the directors' remuneration, on a named basis, is as follows:

Year ended 31 December 2025

	Notes	Directors' fees	Salaries, allowances and benefits-in-kind (Note (a))	Performance related bonus (Note (a))	Defined contribution scheme contributions	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors						
Yan Jianguo	(b)	-	-	-	-	-
Zhang Zhichao		-	2,140	780	150	3,070
Guo Guanghui		-	1,945	950	165	3,060
		-	4,085	1,730	315	6,130
Non-executive Directors						
Zhuang Yong		-	-	-	-	-
Zhao Wenhai [#]		-	-	-	-	-
Ma Yao [^]		-	-	-	-	-
		-	-	-	-	-
Independent Non-executive Directors						
Li Man Bun, Brian David	(c)	HK\$500 (RMB459)	-	-	-	HK\$500 (RMB459)
Chan Ka Keung, Ceajer	(c)	HK\$500 (RMB459)	-	-	-	HK\$500 (RMB459)
Chan Ching Har, Eliza	(c)	HK\$500 (RMB459)	-	-	-	HK\$500 (RMB459)
		HK\$1,500 (RMB1,377)	-	-	-	HK\$1,500 (RMB1,377)
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total		1,377	4,085	1,730	315	7,507

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

10. DIRECTORS' REMUNERATION (continued)

Year ended 31 December 2024

	Notes	Directors' fees RMB'000	Salaries, allowances and benefits-in-kind (Note (a)) RMB'000	Performance related bonus (Note (a)) RMB'000	Defined contribution scheme contributions RMB'000	Total RMB'000
Executive Directors						
Yan Jianguo	(b)	–	–	–	–	–
Luo Liang*		–	1,063	1,000	42	2,105
Zhang Zhichao		–	2,148	850	86	3,084
Guo Guanghui		–	1,945	815	103	2,863
		–	5,156	2,665	231	8,052
Non-executive Directors						
Zhuang Yong		–	–	–	–	–
Zhao Wenhai [#]		–	–	–	–	–
		–	–	–	–	–
Independent Non-executive Directors						
Li Man Bun, Brian David	(c)	HK\$500 (RMB458)	–	–	–	HK\$500 (RMB458)
Chan Ka Keung, Ceajer	(c)	HK\$500 (RMB458)	–	–	–	HK\$500 (RMB458)
Chan Ching Har, Eliza	(c)	HK\$500 (RMB458)	–	–	–	HK\$500 (RMB458)
		HK\$1,500 (RMB1,374)	–	–	–	HK\$1,500 (RMB1,374)
Total		1,374	5,156	2,665	231	9,426

* Retired on 29 August 2024.

[#] Resigned on 22 January 2025.

[^] Appointed on 22 January 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

10. DIRECTORS' REMUNERATION (continued)

Notes:

- (a) Salaries, allowances and benefits-in-kind include housing allowance and non-cash benefits including expense incurred in respect of annual leave in lieu and share-based payments. The performance related bonus was determined based on the Group's performance for the year.
- (b) During the year, Mr. Yan Jianguo also held directorship in CSCEC's subsidiaries/associates, which engage in construction, property development and property investment and related businesses.
- (c) The directors' fees of independent non-executive directors were paid in HK\$. The RMB amounts disclosed above are for presentation purpose only.
- (d) No director waived any emoluments in each of the years ended 31 December 2025 and 2024. In addition, no director received any emoluments as inducement to join or upon joining the Company or as compensation for loss of office in each of the years ended 31 December 2025 and 2024.

11. FIVE HIGHEST PAID EMPLOYEES

Of the five employees with the highest emoluments in the Group, two (2024: one) were directors of the Company whose emoluments are disclosed in note 10 above. The emoluments of the three (2024: four) non-director highest paid employees are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits-in-kind	5,851	8,491
Performance related bonus	3,147	3,483
Defined contribution scheme contributions	490	444
	9,488	12,418

The number of non-director highest paid employees whose remuneration fell within the following HK\$ bands is as follows:

	2025	2024
HK\$3,000,001 to HK\$3,500,000	2	2
HK\$3,500,001 to HK\$4,000,000	1	2
	3	4

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

12. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to shareholders of the Company of RMB12,691,186,000 (2024: RMB15,635,658,000), and the weighted average number of ordinary shares of 10,944,884,000 (2024: 10,944,884,000) outstanding during the year.

No adjustment has been made to the basic earnings per share amount presented for each of the years ended 31 December 2025 and 2024 in respect of a dilution as (i) in respect of the year ended 31 December 2025, there were no potential ordinary shares in issue during the year; and (ii) in respect of the year ended 31 December 2024, the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

13. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Dividends recognised as distributions during the year:		
Final dividend for the year ended 31 December 2024 of HK30 cents per share (2024: Final dividend for the year ended 31 December 2023 of HK45 cents per share)	2,987,953	4,536,107
Interim dividend for the year ended 31 December 2025 of HK25 cents per share (2024: Interim dividend for the year ended 31 December 2024 of HK30 cents per share)	2,517,323	2,962,014
	5,505,276	7,498,121

A final dividend of HK25 cents per share for the year ended 31 December 2025, amounting to approximately RMB2,418,819,000, has been proposed by the Board of Directors and is subject to approval by the Company's shareholders at the forthcoming annual general meeting of the Company. The amount of the proposed final dividend, which was calculated based on the number of ordinary shares in issue as at the date of approval of these financial statements, has not been recognised as a dividend payable in these financial statements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets (Note 16(b)(i))							Total RMB'000
	Leasehold land and buildings RMB'000	Prepaid lease payments for land RMB'000	Other right-of-use assets RMB'000	Hotel buildings RMB'000	Plant, machinery and equipment RMB'000	Furniture, fixtures, office equipment and motor vehicles RMB'000	Construction in progress RMB'000	
COST								
At 1 January 2024	1,829,454	581,526	336,956	5,043,464	201,691	1,273,094	78,479	9,344,664
Additions	266	-	142	17,425	3,559	174,338	2,305	198,035
Transfer from investment properties, net	653,564	-	-	-	-	-	-	653,564
Disposals	(21,418)	-	-	-	(1,838)	(19,231)	-	(42,487)
Exchange realignment	11,045	-	2,810	-	-	2,217	-	16,072
At 31 December 2024 and 1 January 2025	2,472,911	581,526	339,908	5,060,889	203,412	1,430,418	80,784	10,169,848
Additions	2,411	-	6,385	9,945	2,694	209,860	475	231,770
Transfer upon completion	-	-	-	-	-	1,955	(1,955)	-
Transfer from investment properties, net	82,864	-	-	-	-	-	-	82,864
Disposals	(8,422)	-	(8,797)	-	(1,139)	(77,746)	-	(96,104)
Disposals of subsidiaries (Note 31)	-	-	-	-	-	(20,000)	-	(20,000)
Exchange realignment	(10,908)	-	(3,845)	-	-	(1,954)	-	(16,707)
At 31 December 2025	2,538,856	581,526	333,651	5,070,834	204,967	1,542,533	79,304	10,351,671
ACCUMULATED DEPRECIATION								
At 1 January 2024	481,553	160,613	105,066	815,095	176,190	702,357	-	2,440,874
Provided for the year	70,490	14,372	49,834	137,830	5,044	181,957	-	459,527
Transfer to investment properties	(17,538)	-	-	-	-	-	-	(17,538)
Eliminated on disposals	(1,808)	-	-	-	(1,595)	(18,358)	-	(21,761)
Exchange realignment	5,287	-	1,539	-	-	1,190	-	8,016
At 31 December 2024 and 1 January 2025	537,984	174,985	156,439	952,925	179,639	867,146	-	2,869,118
Provided for the year	72,925	14,412	46,614	141,230	4,524	180,716	-	460,421
Transfer to investment properties	(4,178)	-	-	-	-	-	-	(4,178)
Eliminated on disposals	(1,535)	-	(8,796)	-	(1,053)	(75,356)	-	(86,740)
Disposals of subsidiaries (Note 31)	-	-	-	-	-	(17,290)	-	(17,290)
Exchange realignment	(3,305)	-	(2,768)	-	-	(1,769)	-	(7,842)
At 31 December 2025	601,891	189,397	191,489	1,094,155	183,110	953,447	-	3,213,489
NET CARRYING AMOUNT								
At 31 December 2025	1,936,965	392,129	142,162	3,976,679	21,857	589,086	79,304	7,138,182
At 31 December 2024	1,934,927	406,541	183,469	4,107,964	23,773	563,272	80,784	7,300,730

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES

	Completed			Under Construction	Total RMB'000
	The Chinese mainland RMB'000	Hong Kong and Macau RMB'000	The United Kingdom RMB'000	The Chinese mainland RMB'000	
At 1 January 2024	166,540,161	1,725,836	4,788,571	34,691,600	207,746,168
Additions	207,217	5,916	4,340	4,173,781	4,391,254
Changes in fair value of investment properties, net	(1,663,293)	(1,703)	10,693	2,071,619	417,316
Transfer upon completion	17,762,000	–	–	(17,762,000)	–
Transfer to property, plant and equipment, net	(671,102)	–	–	–	(671,102)
Transfer to non-current assets held for sale (<i>Note (a)</i>)	(2,545,229)	–	–	–	(2,545,229)
Disposals	(990,163)	–	–	–	(990,163)
Exchange realignment	–	41,787	9,018	–	50,805
At 31 December 2024 and 1 January 2025	178,639,591	1,771,836	4,812,622	23,175,000	208,399,049
Additions	57,415	–	226	1,957,223	2,014,864
Lease modifications	(573,093)	–	–	–	(573,093)
Changes in fair value of investment properties, net	(1,727,753)	1,798	42,127	1,955,563	271,735
Transfer upon completion	3,593,000	–	–	(3,593,000)	–
Transfer (to)/from stock of properties, net	(1,000,766)	–	–	794,214	(206,552)
Transfer to property, plant and equipment, net	(87,042)	–	–	–	(87,042)
Disposals	(1,519,405)	–	–	–	(1,519,405)
Disposals of subsidiaries (<i>Note 31</i>)	(1,290,000)	–	(1,274,724)	–	(2,564,724)
Exchange realignment	–	(57,154)	158,620	–	101,466
At 31 December 2025	176,091,947	1,716,480	3,738,871	24,289,000	205,836,298

Notes:

- (a) In December 2024, the Group entered into sale and purchase agreements with an independent third party to dispose of certain investment properties in Beijing attributable to the segment of commercial property operations. These properties had a total carrying amount of RMB2,545,229,000 as at 31 December 2024 and were reclassified as non-current assets held for sale as at 31 December 2024. The transaction was completed during the year ended 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES (continued)

Notes: (continued)

(b) Investment properties valuation

The fair values of the investment properties held by the Group as at 31 December 2025 and 2024 were arrived on the basis of valuations carried out on those dates by Cushman & Wakefield Limited and KPMG Advisory (China) Limited Shenzhen Branch, which are independent firms of professional valuers with appropriate qualification and recent experience in the valuation of similar properties in the relevant locations. The current use of the investment properties is their highest and best use.

The Group's finance team reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation assumptions and results are held between management and the valuers at least twice a year when valuations are performed for interim and annual financial reporting.

The investment properties classified as non-current assets held for sale as at 31 December 2024 (note (a) above) were stated at fair value with reference to the agreed selling prices as stated in the sale and purchase agreements and the fair value measurement of the properties was classified as level 2 valuation as there was no significant unobservable input. Save as these properties, the fair values of the Group's other investment properties as at 31 December 2025 and 2024 are categorised as level 3 measurement in the three-level fair value hierarchy and during the year ended 31 December 2025, there was no transfer into and out of Level 3.

Fair value measurements using significant unobservable inputs

The valuation for completed investment properties was arrived at by considering the capitalised income derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The valuation for investment properties under construction was arrived at by making reference to comparable selling prices, as available in the relevant market. The estimated construction costs to complete the development and estimated developer's profits at the date of valuation are also taken into account.

There was no change in the valuation techniques used during the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES (continued)

Notes: (continued)

(b) Investment properties valuation (continued)

Fair value measurements using significant unobservable inputs (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Description	Fair value at 31 December 2025 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investment properties under construction in the Chinese mainland	24,289,000	Residual method	Estimated selling price	RMB10,750 – RMB105,000 per sq m
			Estimated costs to completion	RMB6,406 – RMB14,512 per sq m
			Estimated developer's profit	5.0% – 20.0%
Completed investment properties in the Chinese mainland	176,091,947	Investment approach	Prevailing market rents	RMB18 – RMB1,044 per sq m per month
			Reversionary yield	2.0% – 8.0%
Completed investment properties in Hong Kong and Macau	1,716,480	Investment approach	Prevailing market price	RMB10,070 – RMB100,300 per sq m
			Reversionary yield	2.2% – 3.8%
Completed investment properties in the United Kingdom	3,738,871	Investment approach	Prevailing market rents	HK\$15 – HK\$210 per sq ft per month
			Reversionary yield	2.2% – 3.8%
Completed investment properties in the United Kingdom	3,738,871	Investment approach	Prevailing market rents	GBP59 – GBP77 per sq ft per year
			Reversionary yield	6.0% – 6.9%

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES (continued)

Notes: (continued)

(b) Investment properties valuation (continued)

Fair value measurements using significant unobservable inputs (continued)

Description	Fair value at 31 December 2024 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investment properties under construction in the Chinese mainland	23,175,000	Residual method	Estimated selling price	RMB8,910 – RMB106,200 per sq m
			Estimated costs to completion	RMB5,082 – RMB14,789 per sq m
			Estimated developer's profit	6.0% – 19.0%
Completed investment properties in the Chinese mainland	178,639,591	Investment approach	Prevailing market rents	RMB15 – RMB1,059 per sq m per month
		Direct comparison approach	Reversionary yield Prevailing market price	2.0% – 8.0% RMB10,070 – RMB104,900 per sq m
Completed investment properties in Hong Kong and Macau	1,771,836	Investment approach	Prevailing market rents	HK\$15 – HK\$240 per sq ft per month
			Reversionary yield	2.2% – 3.8%
Completed investment properties in the United Kingdom	4,812,622	Investment approach	Prevailing market rents	GBP53 – GBP81 per sq ft per year
			Reversionary yield	6.0% – 7.2%

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES (continued)

Notes: (continued)

(b) Investment properties valuation (continued)

Fair value measurements using significant unobservable inputs (continued)

Estimated costs to completion and the developer's profit required are estimated by the independent valuers based on market conditions at the end of the reporting period. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The lower are the costs and developer's profit, the higher is the fair value of an investment property.

Estimated selling prices and prevailing market rents are estimated based on the independent valuers' view of recent lettings or selling transactions within the subject properties and other comparable properties. The higher are the selling prices and rents, the higher is the fair value of an investment property.

The reversionary yield is estimated by the independent valuers based on the risk profile of the properties being valued and the market conditions. The lower is the reversionary yield, the higher is the fair value of an investment property.

16. LEASES

(a) The Group as a Lessor

Investment properties of the Group, mainly comprising office buildings, shopping malls and long-term leased apartments, are leased out for rental income under operating lease arrangements with lease terms ranging from 1 to 25 years (2024: 1 to 20 years).

At the end of the reporting period, 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	4,438,882	4,289,631
After one but within two years	3,136,278	3,005,522
After two but within three years	2,078,670	1,961,920
After three but within four years	1,230,522	1,160,639
After four but within five years	749,524	773,405
After five years	1,582,780	1,689,883
	13,216,656	12,881,000

(b) The Group as a Lessee

The Group leases various offices and warehouses for use in its operations, with lease periods ranging from 1 year to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. On renewal, the terms of the leases are renegotiated. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

16. LEASES (continued)

(b) The Group as a Lessee (continued)

(i) Right-of-use assets

The Group's right-of-use assets are included under property, plant and equipment and investment properties in the consolidated statement of financial position and the carrying amounts of which as at the end of the reporting period are summarised as follows:

	2025 RMB'000	2024 RMB'000
Right-of-use assets, included under:		
Property, plant and equipment (Note 14)		
Leasehold land and buildings	1,936,965	1,934,927
Prepaid lease payments for land	392,129	406,541
Other right-of-use assets	142,162	183,469
	2,471,256	2,524,937
Investment properties	145,000	776,000
	2,616,256	3,300,937

Additions to right-of-use assets included under property, plant and equipment during the year ended 31 December 2025 are RMB8,796,000 (2024: RMB408,000).

(ii) Lease liabilities

The Group's lease liabilities are separately presented on the face of the consolidated statement of financial position. The maturity analysis of lease liabilities is disclosed in note 38.

(iii) Other lease information

The following amounts relating to leases were recognised in the consolidated income statement:

	2025 RMB'000	2024 RMB'000
Depreciation of right-of-use assets	133,951	134,696
Expenses related to short-term leases	81,019	73,206
Interest expenses on lease liabilities (included in finance costs)	13,511	36,698
Total amount recognised in the consolidated income statement	228,481	244,600

The total cash outflow for leases included in the consolidated statement of cash flows within operating activities and financing activities are RMB81,019,000 (2024: RMB73,206,000) and RMB97,199,000 (2024: RMB109,827,000), respectively.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

17. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Cost of investments:		
Listed	4,546,563	4,229,703
Unlisted	5,543,627	6,994,690
Loans to associates (<i>Note (c)</i>)	10,090,190	11,224,393
Share of post-acquisition profits and losses and other comprehensive income, net of dividends received	1,089,046	1,125,347
	10,273,155	9,717,223
Total interests in associates	21,452,391	22,066,963

Notes:

(a) Material associate disclosure

Set out below are the particulars of an associate, which, in the opinion of the directors of the Company, is material to the Group:

Name of entity	Place of incorporation/ establishment	Place of operations	Percentage of issued ordinary share capital held by the Group		Principal activities
			2025	2024	
China Overseas Grand Oceans Group Ltd. ("COGO")*	Hong Kong	PRC	39.63%	39.63%	Property development and commercial property operations

* COGO is a company listed on the Main Board of the Hong Kong Stock Exchange.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

17. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

(a) Material associate disclosure (continued)

Set out below is the summarised financial information of COGO as at/for the year ended 31 December 2025:

Summarised Consolidated Statement of Financial Position

	COGO	
	2025 RMB'000	2024 RMB'000
Total current assets	109,677,426	121,202,702
Total current liabilities	(50,798,120)	(61,766,987)
Total non-current assets	9,021,414	7,980,192
Total non-current liabilities	(29,853,980)	(29,864,844)
Net assets	38,046,740	37,551,063
Non-controlling interests	(6,425,393)	(6,155,196)
Equity attributable to shareholders of the associate	31,621,347	31,395,867
Reconciliation to the Group's investment in the associate		
Group's effective interest	39.63%	39.63%
Carrying amount of the Group's interest in the associate	12,533,121	12,443,752
Market value of the shares held by the Group	2,513,971	2,322,249

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

17. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

(a) Material associate disclosure (continued)

Summarised Consolidated Statement of Comprehensive income

	COGO	
	2025 RMB'000	2024 RMB'000
Revenue	36,874,435	45,895,252
Profit before tax	1,365,673	2,160,744
Income tax expense	(816,342)	(944,903)
Profit for the year	549,331	1,215,841
Other comprehensive income/(loss) for the year	129,427	(615,775)
Total comprehensive income for the year	678,758	600,066
Dividends received from COGO	103,159	181,683

(b) Set out below is an aggregate Information of all associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profits and losses for the year and total comprehensive income for the year	591,510	497,264
Aggregate carrying amount of the Group's interests in the associates	8,919,270	9,623,211

(c) The loans to associates are classified as equity loan in nature. At 31 December 2025 and 2024, the loans to associates are unsecured, interest-free and have no fixed term of repayment.

(d) The balances with associates and financial guarantees granted to the associates are disclosed in notes 22 and 34, respectively.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

18. INTERESTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Cost of investments, unlisted	5,704,027	5,810,684
Loans to joint ventures (<i>Note (b)</i>)	18,232,173	13,576,752
Share of post-acquisition profits and losses and other comprehensive income, net of dividends received	4,000,575	4,442,679
	27,936,775	23,830,115

Notes:

- (a) In the opinion of the directors of the Company, all joint ventures of the Group are not individually material.

Set out below is an aggregate Information of all joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of joint ventures' profit and losses for the year and total comprehensive income for the year	(190,420)	(226,353)
Aggregate carrying amount of the Group's interests in the joint ventures	27,936,775	23,830,115

- (b) The loans to joint ventures are equity loans in nature. At 31 December 2025, the loans to joint ventures are unsecured, interest-free and have no fixed terms of repayment, except for the amounts of RMB733,627,000 (2024: RMB642,983,000), which bear fixed interest at a fixed rate of 2% (2024: 2%) per annum.
- (c) The balances with joint ventures and financial guarantees granted to the joint ventures are disclosed in notes 22 and 34.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

19. STOCK OF PROPERTIES AND OTHER INVENTORIES

	2025 RMB'000	2024 RMB'000
Completed properties	143,385,783	149,175,084
Properties under development (<i>Note</i>)	347,455,203	304,925,693
Total stock of properties	490,840,986	454,100,777
Other inventories	158,753	173,669
	490,999,739	454,274,446

Note: Included in the amount are properties under development of RMB157,547,978,000 (2024: RMB147,561,722,000) which are not expected to be realised within twelve months from the end of the reporting period.

20. LAND DEVELOPMENT EXPENDITURE

The Group entered into agreements ("Agreements") with local governments in Chinese mainland to redevelop some lands in certain cities in the PRC. Under these Agreements, the Group assisted the local governments for the primary land redevelopment works, which included but are not limited to removal of existing buildings situated on the land, relocation of existing residents, provision of infrastructure systems including roads, drainage system, water, gas and electricity supply and construction of public facilities. Pursuant to the Agreements, the Group will be reimbursed for the actual costs incurred in carrying out the land development works and be entitled to fixed returns irrespective of whether the Group will obtain the land use rights of the lands in the future. The fixed return is recognised as income from primary land development under other income in the consolidated income statement with reference to the progress of the land redevelopment works.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

21. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables (Note (a) and (b))	2,697,306	1,590,168
Other receivables – current portion	1,367,241	1,815,902
	4,064,547	3,406,070

Notes:

- (a) Except for trade receivables in respect of sale of properties and lease receivables which are receivable or settled in accordance with the terms of the relevant sale and purchase agreements and lease agreements, the Group generally allows a credit period ranging from 30 to 180 days to its customers. The Group does not hold any collateral or other credit enhancement over its trade receivables.

The ageing analysis of trade receivables as at the end of the reporting period, presented based on the date the trade receivables were recognised, is as follows:

	2025 RMB'000	2024 RMB'000
0–30 days	869,734	424,195
31 – 90 days	373,452	262,063
Over 90 days	1,454,120	903,910
	2,697,306	1,590,168

- (b) In determining the recoverability of trade receivables, management has closely monitored the credit qualities and the collectability of these receivables and considers that the expected credit risks of them are minimal in view of the track record of repayment from them, the history of cooperation with them and forward-looking information. The concentration of credit risk is limited due to the customer base being large and unrelated. In the opinion of the directors, the expected credit loss provision for trade and other receivables was insignificant as at the end of the reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

22. BALANCES WITH RELATED COMPANIES

All the balances with fellow subsidiaries, associates, joint venture and non-controlling shareholders as at 31 December 2025 and 2024 are unsecured, interest-free and recoverable/repayable on demand, except for:

- (a) amounts due from joint ventures of RMB962,418,000 (2024: RMB2,231,667,000) as at 31 December 2025, which bear interest at fixed rates ranging from 3.22% to 3.90% (2024: 3.1% to 12.0%) per annum.
- (b) amounts due to joint ventures of RMB618,117,000 (2024: RMB579,503,000) as at 31 December 2025, which bear interest at fixed rates ranging from 1.50% to 2.18% (2024: 2.18%) per annum.
- (c) amounts due to non-controlling shareholders of RMB279,010,000 as at 31 December 2024, which bore interest at fixed rates ranging from 4.35% to 6.0% per annum.

23. BANK BALANCES AND CASH

- (a) Bank balances and cash as at 31 December 2025 included:
 - (i) restricted bank deposits in a total amount of RMB226,890,000 (2024: RMB276,015,000), which are mainly guarantee deposits designated for use in certain property development projects;
 - (ii) current deposits in a total amount of RMB632,196,000 (2024: RMB124,772,000) placed with China State Construction Finance Limited ("CSCFL"), which is a fellow subsidiary of the Company and a non-bank financial institution approved by the China Banking and Insurance Regulatory Commission. These deposits carried interest at rates ranging from 0.55% to 1.35% (2024: 0.355% to 1.25%) per annum. This related party transaction also constitutes a continuing connected transaction as defined in Chapter 14A of the Listing Rules; and
 - (iii) regulated pre-sales proceeds of properties in a total amount of RMB14,785,759,000 (2024: RMB24,955,254,000) which, in accordance with applicable prevailing government regulations, can only be used for payments of construction costs of related property projects and will be released according to the completion stage of the related properties.
- (b) Bank deposits of the Group carry interest at market rates ranging from 0.001% to 4.5% (2024: 0.001% to 5.3%) per annum.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

23. BANK BALANCES AND CASH (continued)

- (c) At the end of the reporting period, the Group's bank balances and cash were denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
Bank balances and cash denominated in:		
RMB	100,320,126	122,032,482
Hong Kong dollars ("HK\$")	2,260,189	1,544,028
United States dollars ("US\$")	470,755	367,809
Singapore dollars	331,611	4,298
Pounds sterling ("GBP")	184,125	132,373
Other currencies	60,707	87,238
	103,627,513	124,168,228

24. BANK LOANS

	2025 RMB'000	2024 RMB'000
Bank loans:		
– secured	62,275,481	48,955,798
– unsecured	110,645,132	117,201,198
Total	172,920,613	166,156,996

	2025 RMB'000	2024 RMB'000
The bank loans are repayable:		
Within one year	30,726,935	16,633,612
In the second year	61,731,095	32,947,808
In the third to fifth years, inclusive	57,172,718	85,247,887
Beyond five years	23,289,865	31,327,689
Total bank loans	172,920,613	166,156,996
Portion classified as current liabilities	(30,726,935)	(16,633,612)
Non-current portion	142,193,678	149,523,384

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

24. BANK LOANS (continued)

Notes:

- (a) The carrying amounts of the Group's bank loans are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
Bank loans denominated in:		
RMB (Note (i))	166,893,707	150,696,157
HK\$ (Note (ii))	6,026,906	15,460,839
	172,920,613	166,156,996

- (i) The amounts bear interest at rates ranging from 1.90% to 4.58% (2024: 1.85% to 7.00%) per annum.
- (ii) The amounts bear interest at HIBOR plus a specified margin per annum or at fixed rates ranging from 1.70% to 4.02% (2024: 1.70% to 2.78%) per annum.
- (b) Included in the total bank loans as at 31 December 2025 are loans of RMB844,449,000 (2024: RMB177,300,000) provided to the Group by CSCFL. The loans provided by CSCFL are unsecured and carry interest rates ranging from 2.11% to 2.34% (2024: 2.25% to 2.70%) per annum.

The Group's average borrowing cost is 2.8% (2024: 3.1%) per annum. The borrowings amounting to RMB32,697,871,000 (2024: RMB36,514,527,000) and RMB140,222,742,000 (2024: RMB129,642,469,000) are carried at fixed interest rates and variable interest rates, respectively.

- (c) At 31 December 2025 and 2024, certain assets of the Group were pledged to banks for the secured bank loans, as further detailed in note 35.
- (d) Certain unsecured and secured bank loans classified as non-current liabilities in aggregate amounts of RMB53,940,451,000 (2024: RMB53,428,462,000) and RMB8,178,453,000 (2024: RMB2,059,410,000) at 31 December 2025, respectively, are subject to certain financial covenants, including debt-to-asset ratio, current ratio, the ratio of guaranteed amount to net assets, minimum tangible net worth requirements, the ratio of net borrowings to tangible net worth, the ratio of net borrowings (excluding contingent liabilities) to tangible net worth, and/or the ratio of secured borrowings to tangible net worth. These covenants are either tested semi-annually on 30 June and 31 December of each year until maturity or required to be complied with at all times as long as the facility amounts remain outstanding. The Group has complied with these covenants under the relevant facility agreements as at 31 December 2025. Management expects that the Group will comply with these financial covenants within 12 months after the end of the reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

25. GUARANTEED NOTES AND CORPORATE BONDS

	2025 RMB'000	2024 RMB'000
The guaranteed notes and corporate bonds are repayable:		
Within one year	11,589,193	11,956,352
In the second year	15,200,000	11,587,746
In the third to fifth years, inclusive	33,363,159	36,118,912
Beyond five years	14,302,469	15,743,972
Total guaranteed notes and corporate bonds	74,454,821	75,406,982
Portion classified as current liabilities	(11,589,193)	(11,956,352)
Non-current portion	62,865,628	63,450,630

A summary of the guaranteed notes and corporate bonds issued by the Group and outstanding as at the end of the reporting period is as follows:

At 31 December 2025

Currency	Principal amount (in million)	Fixed interest rate per annum	Year of maturity date	Carrying amount RMB'000
Current portion				
RMB	1,500 – 1,900 ⁽ⁱⁱⁱ⁾	3.25% – 3.60% ^(iv)	2026	3,400,258
RMB	3,190	3.50% ⁽ⁱⁱⁱ⁾	2026	3,188,935
RMB	800 – 2,000	2.90% – 3.55% ^(iv)	2026	5,000,000
				11,589,193
Non-current portion				
US\$	200 – 750 ⁽ⁱ⁾	2.75% – 6.45% ⁽ⁱⁱⁱ⁾	2028 – 2043	24,365,628
RMB	100 – 3,000	1.60% – 3.50% ^(iv)	2027 – 2040	38,500,000
				62,865,628
Total guaranteed notes and corporate bonds				74,454,821

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

25. GUARANTEED NOTES AND CORPORATE BONDS (continued)

At 31 December 2024

Currency	Principal amount (in million)	Fixed interest rate per annum	Year of maturity date	Carrying amount RMB'000
Current portion				
US\$	300 ⁽ⁱ⁾	2.375% ⁽ⁱⁱⁱ⁾	2025	2,156,352
RMB	1,000 – 2,000	2.25% – 3.05% ^(iv)	2025	9,800,000
				11,956,352
Non – current portion				
US\$	200 – 750 ⁽ⁱ⁾	2.75% – 6.45% ⁽ⁱⁱⁱ⁾	2028 – 2043	25,162,884
RMB	1,500 – 1,900 ⁽ⁱⁱ⁾	3.25% – 3.60% ^(iv)	2026	3,400,000
RMB	500 – 3,000	2.35% – 3.55% ^(iv)	2026 – 2034	31,700,000
RMB	3,190	3.50% ⁽ⁱⁱⁱ⁾	2026	3,187,746
				63,450,630
Total guaranteed notes and corporate bonds				75,406,982

Notes:

- (i) These guaranteed notes are unconditionally and irrevocably guaranteed by the Company. They shall become immediately due and payable in the event of the failure to perform or observe certain conditions set out in the trust deeds which include, inter alia, the negative pledge given by the Company and the related subsidiaries.
- (ii) These guaranteed notes and corporate bonds contain terms for adjustment of the interest rate and sell-back option at the end of the fifth year from interest commencement date.
- (iii) Interests are payable semi-annually.
- (iv) Interests are payable annually.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

26. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables (Note (a))	37,959,313	41,847,037
Other payables (Note (b))	9,303,171	7,657,954
Retention payables	4,928,880	6,095,740
	52,191,364	55,600,731

Notes:

- (a) Trade payables are non-interest-bearing and are normally settled within 60 days. The financial liabilities that are part of the Group's supplier finance arrangements included in trade payables are normally settled within 90 days.

Included in the trade payables as at 31 December 2025 are amounts of RMB2,809,946,000 (2024: RMB2,968,019,000) in total due to fellow subsidiaries, arising from transactions carried out in the ordinary course of business of the Group. The balances are unsecured, interest-free and are repayable within credit periods similar to those offered by the related parties to their major customers.

The ageing analysis of trade payables as at the end of the reporting period, presented based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
0–30 days	12,044,659	12,341,117
31 – 90 days	3,758,356	3,715,087
Over 90 days	22,156,298	25,790,833
	37,959,313	41,847,037

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers of material procurement in Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive payments from the Group's external 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. The Group settles the original invoice by paying the finance provider at a later date as agreed with the finance provider. The Group provides no security to the finance provider.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

26. TRADE AND OTHER PAYABLES (continued)

Notes: (continued)

(a) (continued)

All financial liabilities that are part of the supplier finance arrangements are included in trade and other payables in the consolidated 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 other payables	235,359	1,629,318
Of which suppliers have received payments	235,359	1,618,542

For financial liabilities that are part of the supplier finance arrangements included in trade and other payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

There were no financial liabilities that were part of the supplier finance arrangements included in trade and other payables as at 1 January 2024.

(b) Other payables mainly include rental and other deposits, other taxes payable and accrued charges.

Of the other payables and retention payables, an amount of RMB4,677,642,000 (2024: RMB4,685,092,000) is due beyond twelve months from the end of the reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

27. PRE-SALES PROCEEDS

Details of pre-sales proceeds are as follows:

	2025 RMB'000	2024 RMB'000
Contract liabilities related to sale of properties (<i>Note (b)</i>)	114,720,272	121,617,904
Value-added tax associated with pre-sales proceeds	10,313,024	10,924,846
Total pre-sales proceeds	125,033,296	132,542,750

Notes:

- (a) The Group receives payments from customers based on the billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sale of properties.

The following table shows the amount of revenue recognised in the current reporting period in relation to carried-forward contract liabilities:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	78,016,500	68,340,197

In respect of revenue from contracts with customers under the property development segment management expects that the transaction price allocated to the unsatisfied contracts related to sale of properties as at 31 December 2025 amounting to RMB144,735,103,000 (2024: RMB164,160,155,000) will be recognised as revenue within the coming three financial years.

In respect of revenue from contracts with customers under the commercial property operations and other businesses segments, the Group has applied the practical expedient in HKFRS 15 for not disclosing the remaining performance obligations under the Group's existing contracts as the Group either (i) recognises revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to consideration from a customer that corresponds directly with the value to the customer of the entity's performance completed to date; or (ii) the performance obligations are expected to be recognised as revenue with an original expected duration of one year or less.

- (b) The decrease in contract liabilities during the year was in line with the decrease in the payments received from customers for the year.
- (c) Total pre-sales proceeds as at 1 January 2024 consist of contract liabilities related to sale of properties of RMB99,675,470,000 and value-added tax associated with in pre-sales proceeds of RMB8,943,571,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

28. DEFERRED TAX

Net deferred tax assets and liabilities recognised in the consolidated statement of financial position are as follows:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets	(7,269,960)	(7,324,894)
Net deferred tax liabilities	27,911,826	27,733,296
	20,641,866	20,408,402

The components of deferred tax assets and liabilities and their movements during the current and prior years are as follows:

	Attributable to											Total deferred tax liabilities/ (assets)
	Accelerated tax depreciation	Revaluation of properties	Fair value adjustment on properties	Undistributed earnings of PRC subsidiaries and joint ventures (Note (a))	Other taxable temporary differences	Unrealised profit (Note (b))	Unused tax loss	Provision for LAT	Other deductible temporary differences	Right-of-use assets	Lease liabilities	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	10,088	19,336,340	4,028,124	116,021	2,108,745	(135,192)	(774,424)	(4,071,499)	(775,521)	236,689	(257,246)	19,822,125
Charged/(credited) to profit or loss	803	101,768	(359,894)	-	382,113	44,002	(962,107)	1,488,833	(87,468)	(45,678)	24,178	586,550
Exchange realignment	259	-	-	-	-	-	(516)	-	(16)	-	-	(273)
At 31 December 2024 and 1 January 2025	11,150	19,438,108	3,668,230	116,021	2,490,858	(91,190)	(1,737,047)	(2,582,666)	(863,005)	191,011	(233,068)	20,408,402
Charged/(credited) to profit or loss (Note 8)	-	(154,508)	(1,399,991)	-	801,892	(64,470)	(588,506)	1,371,898	(178,292)	(150,873)	157,419	(205,431)
Acquisition of a subsidiary (Note 30)	-	-	550,976	-	-	-	-	-	-	-	-	550,976
Disposal of a subsidiary (Note 31)	-	(73,141)	-	-	(39,729)	-	-	-	-	-	-	(112,870)
Exchange realignment	350	-	-	-	-	-	418	-	21	-	-	789
31 December 2025	11,500	19,210,459	2,819,215	116,021	3,253,021	(155,660)	(2,325,135)	(1,210,768)	(1,041,276)	40,138	(75,649)	20,641,866

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

28. DEFERRED TAX (continued)

- (a) Under the CIT Law of the PRC, withholding income tax is imposed on dividends declared in respect of profits earned by subsidiaries established in the PRC. Deferred tax in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB14,443,224,000 (2024: RMB13,942,636,000) has not been provided for in the consolidated financial statements as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.
- (b) At 31 December 2025, the Group had unused tax losses of RMB19,009,949,000 (2024: RMB12,720,198,000) available for offsetting against future profits, of which tax losses of RMB14,587,967,000 (2024: RMB8,366,776,000) will expire within five years from the end of the reporting period and the remaining tax losses may be carried forward indefinitely. Based on the assessment made by the management, (i) deferred tax assets have been recognised in respect of RMB9,522,862,000 (2024: RMB6,974,882,000) tax losses of subsidiaries which shall have future taxable profits for the utilisation of these tax losses; and (ii) no deferred tax asset has been recognised on the remaining tax losses of RMB9,487,087,000 (2024: RMB5,745,316,000) due to the unpredictability of future profit streams.

29. SHARE CAPITAL

	Original currency HK\$'000	2025 RMB'000	2024 RMB'000
Issued and fully paid 10,944,884,000 ordinary shares	90,422,641	74,035,443	74,035,443

There were no movement in the Company's issued share capital during each of the years ended 31 December 2025 and 2024.

Share-based Payments

Share Option Scheme of the Company

On 29 June 2018, the Company offered to grant share options (the "2018 Share Options") to certain eligible persons (collectively, the "2018 Options Grantees"), to subscribe for a total of 107,320,000 shares of the Company, subject to acceptance of the 2018 Options Grantees, under the share option scheme adopted by the Company on 11 June 2018 (the "Share Option Scheme"). Out of 107,320,000 shares of 2018 Share Options granted, a total of 2,000,000 shares were granted to directors of the Company. The exercise price is HK\$25.85 per share.

One-third of the 2018 Share Options granted may be vested on each of 29 June 2020, 29 June 2021 and 29 June 2022 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2018 Share Options on the date of grant was HK\$25.85 per share.

On 24 November 2020, the Company offered to grant share options (the "2020 Share Options") to certain eligible persons (collectively, the "2020 Options Grantees"), to subscribe for a total of 285,840,000 shares of the Company, subject to acceptance of the 2020 Options Grantees, under the Share Option Scheme. Out of 285,840,000 shares of 2020 Share Options granted, a total of 6,300,000 shares were granted to directors of the Company. The exercise price is HK\$18.724 per share.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

29. SHARE CAPITAL (continued)

Share-based Payments (continued)

Share Option Scheme of the Company (continued)

One-third of the 2020 Share Options granted may be vested on each of 24 November 2022, 24 November 2023 and 24 November 2024 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2020 Share Options on the date of grant was HK\$17.96 per share.

On 11 November 2021, the Company offered to grant share options (the "2021 Share Options") to certain eligible persons (collectively, the "2021 Options Grantees"), to subscribe for a total of 7,130,000 shares of the Company, subject to acceptance of the 2021 Options Grantees, under the Share Option Scheme. Out of 7,130,000 shares of 2021 Share Options granted, a total of 1,600,000 shares were granted to a director of the Company. The exercise price is HK\$18.70 per share.

One-third of the 2021 Share Options granted may be vested on each of 11 November 2023, 11 November 2024 and 11 November 2025 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2021 Share Options on the date of grant was HK\$18.70 per share.

The fair values of the 2018 Share Options on 29 June 2018, the 2020 Share Options on 24 November 2020 and the 2021 Share Options on 11 November 2021 determined using the Binomial Options Pricing Model were HK\$6.36, HK\$2.64 and HK\$2.89 per share, respectively. The significant inputs adopted in the model include:

Risk-free rate	2018 Share Options: 2.12% with reference to the market yield rates of the Hong Kong Government Bond (maturing 21 June 2021 and 6 December 2021) as of 29 June 2018
	2020 Share Options: 0.34% with reference to the market yield rates of the Hong Kong Government Bond (maturing 20 August 2025 and 27 August 2027) as of 24 November 2020
	2021 Share Options: 1.42% with reference to the Hong Kong Dollar Swap Rate (5Y and 7Y) as of 11 November 2021
Historical volatility	31.91%, 31.89% and 31.31% calculated based on the historical price with a period equals to the life of the 2018, 2020 and 2021 Share Options, respectively
Cap of the share-based payments	40% of the respective Grantees' remuneration for the 2018 Share Options
Dividend yield	3.09%, 5.68% and 6.31% based on the average dividend yield in the past six years for the 2018, 2020 and 2021 Share Options, respectively
Expected option life	6 years for 2018, 2020 and 2021 Share Options

The Binomial Options Pricing Model for the share options requires inputs of subjective assumptions such as the expected stock price volatility. Change in the subjective input may materially affect the fair value estimates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

29. SHARE CAPITAL (continued)

Share-based Payments (continued)

Share Option Scheme of the Company (continued)

Set out below are movements of the share option under the Share Option Scheme:

	2025		2024	
	Average exercise price per share	Number of share options	Average exercise price per share	Number of share options
At 1 January	–	–	HK\$21.44	139,430,500
Lapsed/forfeited during the year (Note (a))	–	–	HK\$25.41	(56,692,500)
Cancelled during the year (Note (b))	–	–	HK\$18.72	(82,738,000)
At 31 December	–	–	–	–

Notes:

- (a) A total of 51,440,500 shares of 2018 Share Options were expired and have been lapsed during the year ended 31 December 2024. The remainder of 5,252,000 shares represented Share Options forfeited upon the resignation of certain eligible persons which the Share Options were exercisable during the year ended 31 December 2024.
- (b) During the year ended 31 December 2024, all the remaining 2020 Share Options and 2021 Share Options had been cancelled in accordance with the exercise conditions under the terms of the Share Option Scheme.

No options were granted and exercised during both years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

30. ACQUISITION OF A SUBSIDIARY

According to a sale and purchase agreement dated 5 September 2025 entered into between the Group and four third parties independent of the Group, the Group acquired 50.5% equity interest in and certain shareholders' loans advanced to 上海新東安企業發展有限公司 ("Shanghai Xin Dong'an") for a total cash consideration of RMB7,340,684,000. Shanghai Xin Dong'an is a limited liability company established in the PRC and its principal activity is holding a parcel of land in Shanghai for property development. The acquisition was completed on 24 October 2025 and the total consideration for the acquisition was adjusted to RMB7,867,187,000 as a result of an increase in the shareholders' loans acquired on completion. A gain on bargain purchase of a subsidiary of RMB629,612,000 was recognised in the consolidated income statement during the year.

The fair values of the identifiable assets and liabilities of Shanghai Xin Dong'an as at the date of the acquisition were as follows:

	2025 RMB'000
Stock of properties	37,630,000
Bank balances and cash	10,079
Trade and other payables	(105,758)
Amounts due to non-controlling shareholders	(4,990,122)
Bank loans	(20,158,000)
Deferred tax liabilities	(550,976)
Total identifiable assets and liabilities at fair value	11,835,223
Non-controlling interests	3,338,424
Gain on bargain purchase of a subsidiary (Note 6)	629,612
Total consideration	7,867,187
Satisfied by cash consideration paid during the year	7,867,187
Analysis of net cash outflow in respect of the acquisition of the subsidiary:	
Cash consideration paid during the year	(7,867,187)
Cash and cash equivalents acquired	10,079
Net outflow of cash and cash equivalents in respect of acquisition of a subsidiary	(7,857,108)

The subsidiary acquired had no significant contribution to the Group's revenue and profit for the year ended 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

31. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2025, the Group has the following two transactions for the disposal of subsidiaries:

- (i) According to a sale and purchase agreement dated 21 February 2025 entered into between the Group and a third party independent of the Group, the Group disposed of 100% equity interest in and certain shareholder's loans advanced to Great Fortune Property Limited for a total cash consideration of GBP175,000,000 (equivalent to RMB1,602,274,000). Great Fortune Property Limited is a limited liability company incorporated in Jersey and its principal activity is property investment in the United Kingdom. The disposal was completed on 21 February 2025, and resulted in a gain on disposal of a subsidiary of RMB261,641,000, which was recognised in the consolidated income statement for the current year; and
- (ii) According to a sale and purchase agreement dated 29 September 2025 entered into between the Group and a third party independent of the Group, the Group disposed of 100% equity interest in 佛山海映商業管理有限公司 ("Foshan Haiying") for a cash consideration of RMB1,388,180,000. Foshan Haiying is a limited liability company incorporated in the PRC and its principal activity is property investment in Chinese mainland. The disposal was completed on 21 October 2025, and resulted in a gain on disposal of a subsidiary of RMB330,147,000, which was recognised in the consolidated income statement.

The net assets disposed of as a result of the above disposals are summarised as follows:

	2025 RMB'000
Property, plant and equipment	2,710
Investment properties	2,564,724
Bank balances and cash	118,427
Trade and other receivables	30,462
Trade and other payables	(80,070)
Bank loans	(174,676)
Income tax liabilities	(5,774)
Deferred tax liabilities	(112,870)
Net assets of subsidiaries disposed of	2,342,933
The gains on disposal of subsidiaries are calculated as follows:	
Cash consideration received	2,990,454
Exchange fluctuation reserve recycled to profit or loss	(55,733)
Net assets of subsidiaries disposed of	(2,342,933)
Gains on disposal of subsidiaries (Note 6)	591,788
Analysis of net cash inflow in respect of disposal of subsidiaries:	
Cash consideration received during the year	2,990,454
Cash and cash equivalents disposed of	(118,427)
Net inflow of cash and cash equivalents in respect of disposal of subsidiaries	2,872,027

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities are as follows:

	Bank loans RMB'000	Guaranteed notes and corporate bonds RMB'000	Accrued interest included in trade and other payables RMB'000	Amounts due to fellow subsidiaries RMB'000	Amounts due to associates RMB'000	Amounts due to joint ventures RMB'000	Amounts due to non- controlling shareholders RMB'000	Lease liabilities RMB'000
At 1 January 2024	165,297,894	92,366,242	1,212,874	2,565,938	4,228,149	4,024,969	8,648,674	1,054,664
Financing cash flow	194,806	(17,745,780)	(8,969,497)	(1,108,860)	1,258,250	(93,298)	4,923,891	(109,827)
Other non-cash movements	21,665	18,895	8,787,751	-	-	(93,631)	144,865	36,970
Exchange realignment	642,631	767,625	6,125	18,121	-	365	-	1,402
At 31 December 2024 and 1 January 2025	166,156,996	75,406,982	1,037,253	1,475,199	5,486,399	3,838,405	13,717,430	983,209
Financing cash flow	(12,977,222)	(163,583)	(6,943,713)	(144,652)	(2,058,153)	959	(1,059,687)	(97,199)
Acquisition of a subsidiary (Note 30)	20,158,000	-	-	-	-	-	4,990,122	-
Disposal of subsidiaries (Note 31)	(174,676)	-	-	-	-	-	-	-
Other non-cash movements	70,932	15,909	6,916,412	-	52,980	11,614	(4,498,528)	(553,835)
Exchange realignment	(313,417)	(804,487)	(13,129)	(14,220)	-	(1,363)	-	(1,224)
At 31 December 2025	172,920,613	74,454,821	996,823	1,316,327	3,481,226	3,849,615	13,149,337	330,951

33. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments which were not provided for in the financial statements:

	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of investment properties: Contracted but not provided for	5,781,835	6,574,067

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

34. FINANCIAL GUARANTEES

At the end of the reporting period, the Group had the following financial guarantees which were not provided for in the financial statements:

- (a) Guarantees given by the Group to banks in respect of credit facilities granted to:

	2025 RMB'000	2024 RMB'000
Associates		
– Maximum	9,710	31,145
– Utilised	9,710	31,145
Joint ventures		
– Maximum	1,539,114	11,616,339
– Utilised	1,526,550	10,695,801
An entity classified as a financial asset at fair value through profit or loss		
– Maximum	440,000	322,000
– Utilised	285,486	264,737

- (b) At 31 December 2025, the Group had counter indemnities amounting to RMB2,797,983,000 (2024: RMB1,716,493,000) for guarantees issued in respect of certain construction contracts undertaken by the Group.

- (c) At 31 December 2025, the Group provided guarantees to banks amounting to RMB12,779,306,000 (2024: RMB45,042,822,000) in respect of mortgage loans granted to purchasers of the Group's properties.

The directors of the Company considered that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant on the basis of short maturity periods and low applicable default rates.

35. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group have been pledged to secure the bank loans of the Group. The carrying amounts of the pledged assets as at 31 December 2025 and 2024 were as follows:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	3,381,064	2,067,369
Investment properties	125,975,911	98,780,237
Stock of properties	38,638,604	37,813,991
	167,995,579	138,661,597

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

36. RELATED PARTY DISCLOSURES

- (a) In addition to those balances and transactions disclosed elsewhere in these financial statements, the following material related party transactions have been entered into by the Group during the year:

Nature of transaction	Notes	2025 RMB'000	2024 RMB'000
Fellow subsidiaries#			
Property development project construction fee	(a)	2,914,252	3,968,722
Rental and utility income	(b)	361,029	313,838
Heating pipe connection service fee	(a)	3,962	–
Building design consultancy income	(c)	5,136	7,387
Property management and value-added service fee	(c)	1,276,928	1,196,059
Material procurement and supply chain management service income	(c)	906,541	631,803
Interest income	(h)	2,110	240
Interest expense	(g)	14,239	7,211
Sales of properties	(f)	16,117	–
Sales of investment properties	(i)	–	43,362
Asset-light management service income	(c)	12,361	11,422
Associates			
Interest income	(d)	16,747	3,416
Royalty income	(e)	173,208	183,000
Lease payments	(b)	15,201	17,000
Building design consultancy income	(c)	6,335	2,816
Material procurement service income	(c)	716,134	777,765
Information technology service income	(c)	6,415	7,600
Joint ventures			
Interest income	(d)	63,774	124,010
Interest expense	(g)	11,614	11,646

Notes:

- (a) Property development project construction fee and heating pipe connection service fee are charged in accordance with respective contracts. The amounts represent aggregate transaction amounts during the year in relation to contracts signed in the current and prior years.
- (b) Rental and utility income and lease payments are charged in accordance with respective tenancy agreements.
- (c) Building design consultancy income, property management and value-added service fee, material procurement and supply chain management service income, asset-light management service income, material procurement service income and information technology service income are charged in accordance with respective contracts.
- (d) Interest income is charged at interest rates as specified in notes 18 and 22 on the outstanding amounts.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

36. RELATED PARTY DISCLOSURES (continued)

(a) (continued)

Notes: (continued)

- (e) Royalty income is charged at annual fee as specified in the contracts.
- (f) The Group entered into various sale and purchase agreements with certain subsidiaries of China Overseas Property Holdings Limited, a fellow subsidiary of the Company, for the disposal of car parking spaces in the Chinese mainland.
- (g) Interest expense is charged at interest rates as specified in notes 22 and 24 on the outstanding amounts.
- (h) Interest income is charged at interest rates as specified in note 23 on the deposits placed with CSCFL.
- (i) The considerations for the sale of investment properties are charged in accordance with the relevant sale and purchase agreements.

These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) The remuneration of the Company's directors and other members of key management personnel of the Group during the year was as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits-in-kind	25,500	26,838
Performance related bonuses	12,090	13,955
Defined contribution scheme contributions	2,107	1,309
	39,697	42,102

(c) Transactions with other state-owned entities in the PRC

The Group operates in an economic environment predominated by entities directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "Other SOEs"). During the year, the Group has transactions with Other SOEs including, but not limited to, sale and leasing of properties, acquisition of land, bank deposits and borrowings, and utility consumption. The directors consider that the transactions with the Other SOEs are activities in the ordinary course of the Group's 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 products and services and such pricing policies do not depend on whether or not the customers are Other SOEs. Having due regard to the substance of the relationships, save as those transactions disclosed in note (a) above and elsewhere in these financial statements, the Company's directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy for capital management remains unchanged during each of the years ended 31 December 2025 and 2024.

The capital structure of the Group consists of debt (which mainly includes bank loans and guaranteed notes and corporate bonds, as disclosed in notes 24 and 25, respectively), bank balances and cash and total equity, comprising share capital, retained profits, other reserves and non-controlling interests.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company assess budgets of major projects, taking into account the provision of funding. Based on the operating budgets, the directors of the Company consider the cost of capital and the risks associated with each class of capital and balance its overall capital structure through the payment of dividends, issue of new share as well as new debt financing or the redemption of existing debt.

The Group monitors its capital structure on a basis of the Group's net gearing ratio, which is calculated as net debt divided by total equity. For this purpose, the Group defines net debt as total debt less bank balances and cash.

The net gearing as at the end of the reporting period was as follows:

	2025 RMB'000	2024 RMB'000
Bank loans	172,920,613	166,156,996
Guaranteed notes and corporate bonds	74,454,821	75,406,982
Total debt	247,375,434	241,563,978
Less: Bank balances and cash	(103,627,513)	(124,168,228)
Net debt	143,747,921	117,395,750
Total equity (including non-controlling interests)	419,899,162	401,829,998
Net gearing ratio	34.2%	29.2%

In addition, the Group has established supplier finance arrangements to manage its working capital, details of which are included in note 26.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortised cost (including bank balances and cash)	138,057,281	153,875,192
Financial assets at fair value through profit or loss	236,327	288,382
Financial liabilities		
Financial liabilities at amortised cost	319,492,164	319,906,795

(b) Financial Risk Management Objectives and Policies

The Group's major financial instruments include bank loans, guaranteed notes and corporate bonds, trade and other receivables, trade and other payables, balances with related companies, financial assets at fair value through profit or loss, bank balances and cash, and lease liabilities.

Management monitors and manages the financial risks relating to the Group through internal risk assessment which analyses exposures by the degree and magnitude of risks. These risks include market risk (including interest rate risk and currency risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

There has been no change to the Group's exposure to these kinds of risks or the manner in which the Group manages and measures these risks.

(i) Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates and changes in foreign exchange rates.

Interest rate risk

The Group's cash flow interest rate risk mainly arises from its variable-rate bank loans, and other receivables amounting to RMB140,222,742,000 (2024: RMB129,642,469,000), and RMB147,024,000 (2024: RMB183,898,000), respectively. The variable-rate bank loans with original maturities from one to more than ten years are for financing development of property projects. An increase in interest rate would increase interest expenses.

The Group's fair value interest rate risk relates primarily to its fixed-rate bank loans, guaranteed notes and corporate bonds, amounts due to joint ventures and non-controlling shareholders, and amounts due from joint ventures amounting to RMB32,697,871,000 (2024: RMB36,514,527,000), RMB74,454,821,000 (2024: RMB75,406,982,000), RMB618,117,000 (2024: RMB858,513,000) and RMB1,696,045,000 (2024: RMB2,874,650,000), respectively.

Management monitors the above interest rate exposure on a dynamic basis and will consider hedging significant interest rate exposure should the need arise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risk Management Objectives and Policies (continued)

(i) Market risk (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis

A sensitivity analysis is prepared assuming that the amount of assets/liabilities outstanding as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 (2024: 100) basis points higher/lower and all other variables were held constant, the Group's profit for the year and total equity as at the end of the reporting period would have decreased/increased by RMB115,096,000 (2024: RMB105,813,000) after capitalising finance costs in properties under development and investment properties under construction of RMB1,016,033,000 (2024: RMB934,031,000). This is mainly attributable to the Group's exposure to cash flow interest rate risk on its variable-rate bank loans and other receivables.

Currency risk

The Group undertakes certain transactions denominated in foreign currencies. The currencies giving rise to exchange rate fluctuation risk are primarily HK\$-denominated bank loans, and HK\$ and US\$-denominated guaranteed notes and corporate bonds, which in aggregate accounted for 12.3% (2024: 17.7%) of the Group's interest-bearing debt as at 31 December 2025. Management manages its foreign currency risk by closely reviewing the movement of the foreign currency rates and considers hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, mainly comprising amounts due from joint ventures, bank balances and cash, bank loans and guaranteed notes and corporate bonds, as at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Assets		
HK\$	574,454	887,964
US\$	470,755	382,141
Liabilities		
HK\$	6,026,905	15,460,839
US\$	24,365,628	27,319,236

Currency risk sensitivity analysis

The Group mainly exposes to the currency risk of US\$ and HK\$. The following details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in the exchange rate of the functional currencies of group entities against US\$ and HK\$, respectively. 5% (2024: 5%) is the sensitivity rate used as it represents management's assessment of the reasonably possible change in foreign exchange rates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risk Management Objectives and Policies (continued)

(i) Market risk (continued)

Currency risk (continued)

Currency risk sensitivity analysis (continued)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. The sensitivity analysis includes amounts due from joint ventures, bank balances and cash, bank loans and guaranteed notes and corporate bonds in currencies other than the functional currencies of the group entities.

For a 5% (2024: 5%) decrease in the exchange rates of functional currencies of group entities against US\$ and HK\$, all other variables were held constant, the Group's profit for the year and total equity as at the end of the reporting period would have decreased by RMB104,715,000 (2024: RMB673,077,000) after an increase in capitalising of exchange losses in properties under development of Nil (2024: RMB3,262,000).

For a 5% (2024: 5%) increase in the exchange rates of functional currencies of group entities against US\$ and HK\$, all other variables were held constant, the Group's profit for the year and total equity as at the end of the reporting period would have increased by RMB104,715,000 (2024: RMB325,183,000) after a decrease in capitalising of exchange losses in properties under development of Nil (2024: RMB351,156,000).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Credit risk

Credit risk of the Group mainly arises from financial assets measured at amortised cost and the financial guarantees provided by the Group to third parties. At 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is the respective carrying amounts of the financial assets recognised in the consolidated statement of financial position; and the amounts of financial guarantees issued by the Group, as disclosed in note 34.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amounts of each individual trade and other receivable at the end of the reporting period to ensure that adequate impairment provisions are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

The credit risk on bank deposits is limited because the counterparties are banks and other financial institutions with high credit ratings assigned by international credit-rating agencies or state-owned banks in the PRC.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risk Management Objectives and Policies (continued)

(ii) Credit risk (continued)

For the trade receivables arising from sale of properties, the Group managed the credit risk by full cash settlement or completion of purchasers' mortgage loan financing procedures before delivery of properties. The Group closely monitors the collection of progress payments from customers in accordance with the payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

For other receivables, amounts due from associates, joint ventures and non-controlling shareholders, the Group does not have any significant concentration of credit risk. The Group would closely monitor the financial positions including the net assets backing of the associates, joint ventures and non-controlling shareholders, which are mainly engaged in property development business in Hong Kong and the Chinese mainland and their property development projects are profitable. Based on the above assessment, management considered that the expected credit loss is minimal and the directors of the Company are of the opinion that the risk of default by counterparties is low, except for the impairment losses made on the amounts due from joint ventures and associates of RMB1,966,532,000 as at 31 December 2025 (2024: RMB1,864,291,000).

Except for trade receivables and contract assets for which the loss allowances are measured at an amount equal to lifetime expected credit losses under simplified approach, the loss allowances of other financial assets are measured at an amount equal to 12-month expected credit losses.

(iii) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains an adequate level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The Group relies on bank loans and guaranteed notes and corporate bonds as significant sources of liquidity. At 31 December 2025, the Group maintains substantial undrawn committed revolving banking facilities to allow for flexibility in meeting its funding requirements.

The following table analyses the contractual undiscounted cash flows of the Group's financial liabilities by relevant maturity groupings based on the remaining period from the end of the reporting period to the earliest date the Group is required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from the flat rates as at the end of the reporting period. The undiscounted amounts are subject to changes if changes in variable rates differ to those estimates of interest rates determined as at the end of the reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risk Management Objectives and Policies (continued)

(iii) Liquidity risk (continued)

	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 undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025						
Trade and other payables	45,472,542	1,649,308	2,435,038	432,386	49,989,274	49,989,274
Amounts due to fellow subsidiaries	1,316,327	–	–	–	1,316,327	1,316,327
Amounts due to associates	3,481,226	–	–	–	3,481,226	3,481,226
Amounts due to joint ventures	3,862,907	–	–	–	3,862,907	3,849,615
Amounts due to non-controlling shareholders	13,149,337	–	–	–	13,149,337	13,149,337
Bank loans	34,881,870	64,544,203	60,033,859	26,000,091	185,460,023	172,920,613
Guaranteed notes and corporate bonds	12,716,340	17,167,081	38,340,895	20,042,805	88,267,121	74,454,821
Lease liabilities	95,178	78,478	164,939	23,242	361,837	330,951
Financial guarantee contracts	15,819,753	620,749	619,180	506,431	17,566,113	–
	130,795,480	84,059,819	101,593,911	47,004,955	363,454,165	319,492,164
At 31 December 2024						
Trade and other payables	48,290,578	1,650,900	2,800,533	344,935	53,086,946	52,842,175
Amounts due to fellow subsidiaries	1,475,199	–	–	–	1,475,199	1,475,199
Amounts due to associates	5,486,399	–	–	–	5,486,399	5,486,399
Amounts due to joint ventures	3,851,038	–	–	–	3,851,038	3,838,405
Amounts due to non-controlling shareholders	13,733,691	–	–	–	13,733,691	13,717,430
Bank loans	21,169,063	36,894,288	90,039,930	34,792,638	182,895,919	166,156,996
Guaranteed notes and corporate bonds	14,576,490	12,352,084	41,637,268	21,991,380	90,557,222	75,406,982
Lease liabilities	115,265	112,015	266,576	797,880	1,291,736	983,209
Financial guarantee contracts	55,879,901	3,310,093	612,204	322,401	60,124,599	–
	164,577,624	54,319,380	135,356,511	58,249,234	412,502,749	319,906,795

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangements if those amounts are claimed by the counterparty to the Group. Based on expectations at the end of the reporting period, the Group considers that it is more likely that no amount will be payable under these guarantee arrangements. However, the expectation is subject to change depending on the probability of suffering credit losses by the counterparty claiming under the guarantees.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

38. FINANCIAL INSTRUMENTS (continued)

(c) Fair Value

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique, as further detailed in note 3 under the accounting policy "Fair value measurement".

During the year, there were no transfers between different levels with the fair value hierarchy.

	2025 Level 3 RMB'000	2024 Level 3 RMB'000
Financial assets at fair value through profit or loss	236,327	288,382

The fair value of the unlisted equity investment designated at fair value through profit or loss has been estimated using a market-based valuation technique, based on assumptions that are not supported by observable market prices or rates. The valuation technique and the inputs, including significant unobservable inputs, used in the fair value measurement of the unlisted equity investment are not disclosed as such disclosures, in the opinion of the directors, would result in particulars of excessive length and provide no additional useful information to the users of the financial statements.

(ii) Financial assets and liabilities carried at other than fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values, except for the guaranteed notes and corporate bonds as disclosed in the following table:

	2025		2024	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
Guaranteed notes and corporate bonds	74,454,821	74,450,656	75,406,982	75,002,882

The fair values of the guaranteed notes and corporate bonds are measured at quoted market prices and are within level 1 of the three-level fair value hierarchy.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2025 are as follows:

Name of entity	Issued and paid up capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
		Directly (%)	Indirectly (%)	
Carmelite Riverside London S.à r.l. ^(iv)	GBP15,000	–	100	Commercial property operations
China Overseas Finance (Cayman) III Limited ⁽ⁱⁱⁱ⁾	US\$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) V Limited ⁽ⁱⁱⁱ⁾	US\$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) VI Limited ⁽ⁱⁱⁱ⁾	US\$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) VII Limited ⁽ⁱⁱⁱ⁾	US\$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) VIII Limited ⁽ⁱⁱⁱ⁾	US\$1	100	–	Issuance of guaranteed notes
China Overseas Project Development Limited	HK\$5,000,000	100	–	Loan financing, investment holding and security investments
China Overseas Property Limited	HK\$1,000	100	–	Investment holding, property consultancy and real estate agency
China Overseas (Zhong Guo) Limited	HK\$50,000,000	–	100	Investment holding
Maxjet Company Limited	HK\$10	–	100	Property development
One Finsbury Circus London Propco S.à r.l. ^(iv)	GBP12,024	–	100	Commercial property operations
天威投資置業有限公司 ^(v)	MOP25,000	–	100	Commercial property operations
中海企業發展集團有限公司 ^(v)	RMB20,000,000,000	–	100	Property development, commercial property operations, and investment holding
中海深圳房地產開發有限公司 ^(vi)	RMB2,210,000,000	–	100	Property development
深圳市中海啟明房地產開發有限公司 ^(vi)	RMB10,000,000	–	100	Property development
深圳市海奕房地產開發有限公司 ^(vi)	RMB100,000,000	–	51	Property development
深圳市海瑞房地產開發有限公司 ^(vi)	RMB10,000,000	–	100	Property development
深圳市啟潮房地產開發有限公司 ^(vi)	RMB360,000,000	–	100	Property development and commercial property operations
深圳市潤海發展房地產有限公司 ^(vi)	RMB19,300,000,000	–	50*	Property development
廣州中海盛安房地產開發有限公司 ^(vi)	RMB10,000,000	–	100	Property development
廣州中海盛榮房地產開發有限公司 ^(vi)	RMB2,830,000,000	–	100	Property development
廣州利合房地產開發有限公司 ^(vi)	RMB2,059,376,984	–	100	Property development and commercial property operations
廣州啟瑞房地產開發有限公司 ^(vi)	RMB3,000,000,000	–	90	Property development
廣州粵合房地產開發有限公司 ^(vi)	RMB2,000,000,000	–	50*	Property development
佛山中海千燈湖房地產開發有限公司 ^(vi)	RMB2,020,000,000	–	100	Property development
佛山市中海環宇城商業管理有限公司 ^(vi)	RMB20,000,000	–	100	Commercial property operations
佛山市順德中海嘉森房地產開發有限公司 ^(vi)	RMB20,000,000	–	100	Property development and commercial property operations
肇慶中海嘉興房地產開發有限公司 ^(vi)	RMB2,170,000,000	–	100	Property development
長沙潤江置業有限公司 ^(vi)	RMB30,000,000	–	100	Property development
長沙潤湘置業開發有限公司 ^(vi)	RMB2,030,000,000	–	100	Property development
湖南省中海城市廣場投資有限公司 ^(vi)	RMB2,100,000,000	–	100	Property development and commercial property operations
廈門中海海泰地產有限公司 ^(vi)	RMB10,000,000	–	100	Property development
廈門中海嘉業地產有限公司 ^(vi)	RMB2,010,000,000	–	100	Property development

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of entity	Issued and paid up capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
		Directly (%)	Indirectly (%)	
福州中海地產有限公司 ^(a)	RMB30,000,000	–	100	Property development and hotel operation
海口中海興業房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
中海鼎業(萬寧)房地產有限公司 ^(a)	US\$86,000,000	–	99.9	Property development
萬寧仁和發展有限公司 ^(a)	US\$206,200,000	–	99.9	Property development and hotel operation
萬寧金信發展有限公司 ^(a)	US\$53,200,000	–	99.9	Hotel operation
珠海市中海永福通商業管理有限公司 ^(a)	RMB20,000,000	–	100	Commercial property operations
珠海市海悅房地產開發有限公司 ^(a)	RMB200,000,000	–	80	Property development
廣逸房地產開發(珠海)有限公司 ^(a)	HK\$100,000,000	–	100	Commercial property operations
東莞市中海嘉朗房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
東莞市中海嘉麟房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
上海中建投資有限公司 ^(a)	RMB450,000,000	–	51	Commercial property operations
上海中海海昆房地產有限公司 ^(a)	RMB10,000,000	–	100	Property development and commercial property operations
上海中海海華房地產有限公司 ^(a)	RMB10,000,000	–	98	Property development
上海申和臻悅房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
上海金海伊上房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development and commercial property operations
上海悅盈築房地產有限公司 ^(a)	RMB1,220,000,000	–	100	Property development
上海浦樾房地產開發有限公司 ^(a)	RMB20,000,000	–	100	Property development
上海海升環盛房地產開發有限公司 ^(a)	RMB10,000,000	–	70	Property development and commercial property operations
上海海尚西岸城市建設發展有限公司 ^(a)	RMB10,000,000	–	85	Property development
上海海悅數智城市建設發展有限公司 ^(a)	RMB612,200,000	–	85	Commercial property operations
上海海領房地產有限公司 ^(a)	RMB1,720,000,000	–	100	Property development
上海海盛西岸城市建設發展有限公司 ^(a)	RMB7,000,000,000	–	85	Property development and commercial property operations
上海海匯房地產開發有限公司 ^(a)	RMB3,676,840,000	–	70	Commercial property operations
上海海臻房地產有限公司 ^(a)	RMB10,000,000	–	100	Property development
上海新東安企業發展有限公司 ^(a)	RMB1,000,000,000	–	50.5	Property development
上海寰宇匯商業管理有限公司 ^(a)	US\$196,000,000	–	100	Commercial property operations
南京中海地產有限公司 ^(a)	RMB10,000,000	–	100	Property development
南京海方房地產開發有限公司 ^(a)	RMB20,000,000	–	100	Property development and commercial property operations
南京海匯房地產開發有限公司 ^(a)	RMB20,000,000	–	100	Commercial property operations
南京海潤房地產開發有限公司 ^(a)	US\$10,000,000	–	100	Commercial property operations
南京領潮房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
中海海通(蘇州)房地產有限公司 ^(a)	RMB500,000,000	–	100	Property development and commercial property operations
中海海隆商業管理(蘇州)有限公司 ^(a)	RMB1,620,000,000	–	100	Commercial property operations
中海發展(蘇州)有限公司 ^(a)	RMB530,000,000	–	100	Property development and commercial property operations

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of entity	Issued and paid up capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
		Directly (%)	Indirectly (%)	
蘇州非凡城市置業有限公司 ^(a)	RMB50,000,000	–	50*	Property development
蘇州海卓房地產有限公司 ^(a)	RMB20,000,000	–	100	Property development
蘇州澤安商業發展有限公司 ^(a)	RMB20,000,000	–	100	Commercial property operations
無錫海隆房地產有限公司 ^(a)	RMB20,000,000	–	100	Property development
寧波中海海和房地產有限公司 ^(a)	RMB20,000,000	–	100	Property development
寧波中海海潤置業有限公司 ^(a)	RMB20,000,000	–	100	Property development and commercial property operations
寧波海聯房地產有限公司 ^(a)	RMB320,000,000	–	100	Property development
杭州海涌置業有限公司 ^(a)	RMB1,000,000,000	–	100	Property development
杭州海軒房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
濟南中海城房地產開發有限公司 ^(a)	RMB30,000,000	–	100	Property development
濟南中海海濠投資有限公司 ^(a)	RMB325,000,000	–	65	Property development
濟南中海華山商業地產有限公司 ^(a)	RMB500,000,000	–	100	Property development and commercial property operations
濟南中海華山置業有限公司 ^(a)	RMB31,000,000	–	100	Property development
濟南中海豪峰房地產開發有限公司 ^(a)	RMB31,000,000	–	100	Property development
濟南海璽房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
濟南寰宇商業運營管理有限公司 ^(a)	RMB35,000,000	–	100	Commercial property operations
中海地產(青島)投資開發有限公司 ^(a)	US\$69,800,000	–	100	Commercial property operations
青島博萊置業有限公司 ^(a)	RMB560,000,000	–	100	Property development
台州中海海融房地產有限公司 ^(a)	RMB420,000,000	–	100	Property development
北京中信房地產有限公司 ^(a)	RMB50,000,000	–	100	Property development and commercial property operations
北京中信新城房地產有限公司 ^(a)	RMB500,000,000	–	80	Property development
北京中海未來置業有限公司 ^(a)	RMB2,600,000,000	–	80	Property development
北京中海地產有限公司 ^(a)	RMB50,000,000	–	100	Property development and commercial property operations
北京中海金石房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Commercial property operations
北京中海盈通房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
北京中海盈智房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development and commercial property operations
北京中海盈豐房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
北京中海廣場商業發展有限公司 ^(a)	RMB30,000,000	–	100	Commercial property operations
北京中海鑫海房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development and commercial property operations
北京仁和燕都房地產開發有限公司 ^(a)	RMB40,000,000	–	100	Commercial property operations
北京永鑫興業房地產開發有限公司 ^(a)	RMB3,510,000,000	–	100	Property development
北京安泰興業置業有限公司 ^(a)	RMB10,000,000	–	100	Property development and commercial property operations
北京盈澤房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
北京盈臻房地產開發有限公司 ^(a)	RMB10,000,000	–	100	Property development
北京虹豐置業有限公司 ^(a)	RMB4,400,000,000	–	95	Property development
北京海望商業發展有限公司 ^(a)	RMB110,000,000	–	100	Commercial property operations

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of entity	Issued and paid up capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
		Directly (%)	Indirectly (%)	
北京海鑫興業房地產開發有限公司 ^(a)	RMB10,000,000	-	100	Property development
北京奧城四季商業發展有限公司 ^(a)	RMB830,000,000	-	100	Commercial property operations
北京新鑫興業房地產開發有限公司 ^(a)	RMB10,000,000	-	100	Property development
北京鑫安興業房地產開發有限公司 ^(a)	RMB10,000,000	-	100	Property development and commercial property operations
北京鑫景通達商業發展有限公司 ^(a)	RMB210,000,000	-	100	Commercial property operations
星旅（北京）房地產開發有限公司 ^(a)	RMB3,000,000,000	-	70	Property development
中海保利達地產（天津）有限公司 ^(a)	US\$49,500,000	-	51	Property development and commercial property operations
天津中海天嘉湖房地產開發有限公司 ^(a)	RMB4,000,000,000	-	100	Property development
天津中海地產開發有限公司 ^(a)	RMB30,000,000	-	100	Property development
天津中海海佑地產有限公司 ^(a)	RMB330,000,000	-	100	Property development and commercial property operations
天津中海海拓地產有限公司 ^(a)	RMB30,000,000	-	100	Property development
天津中海海盛地產有限公司 ^(a)	RMB840,000,000	-	100	Property development and commercial property operations
天津中海海豪地產有限公司 ^(a)	RMB30,000,000	-	100	Property development
天津中海商業管理有限公司 ^(a)	RMB30,000,000	-	100	Commercial property operations
長春海勝房地產開發有限公司 ^(a)	RMB50,000,000	-	100	Property development
長春海瀛房地產開發有限公司 ^(a)	RMB20,000,000	-	100	Property development
大連中海海港投資有限公司 ^(a)	RMB300,000,000	-	80	Property development
中海地產（瀋陽）有限公司 ^(a)	US\$5,000,000	-	100	Property development and commercial property operations
瀋陽中海海順房地產開發有限公司 ^(a)	RMB20,000,000	-	100	Property development
瀋陽中海海嘉房地產開發有限公司 ^(a)	RMB470,000,000	-	100	Property development
瀋陽中海鼎業房地產開發有限公司 ^(a)	US\$5,000,000	-	100	Property development and commercial property operations
瀋陽中海福華房地產開發有限公司 ^(a)	RMB20,000,000	-	100	Property development
瀋陽中海興業房地產開發有限公司 ^(a)	RMB2,023,982,341	-	100	Property development and commercial property operations
石家莊中海新石房地產開發有限公司 ^(a)	RMB10,000,000	-	100	Property development
中海佳隆成都房地產開發有限公司 ^(a)	RMB50,000,000	-	100	Property development and commercial property operations
中海振興（成都）物業發展有限公司 ^(a)	US\$89,800,000	-	100	Property development and commercial property operations
成都海贏房地產開發有限公司 ^(a)	RMB20,000,000	-	100	Property development
西安中海海潤房地產有限公司 ^(a)	RMB10,000,000	-	100	Property development
重慶中海海繪房地產開發有限公司 ^(a)	RMB20,000,000	-	100	Property development
重慶中海海耀房地產開發有限公司 ^(a)	RMB20,000,000	-	100	Property development
重慶信悅置業有限公司 ^(a)	RMB20,000,000	-	100	Property development
重慶海躍置業有限公司 ^(a)	RMB2,395,404,280	-	100	Property development
重慶嘉江房地產開發有限公司 ^(a)	US\$5,000,000	-	60	Property development
太原中海仲興房地產開發有限公司 ^(a)	RMB50,000,000	-	100	Property development

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of entity	Issued and paid up capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
		Directly (%)	Indirectly (%)	
太原中海凱源房地產開發有限公司 ⁽ⁱ⁾	RMB10,000,000	-	100	Property development
太原冠澤置業有限公司 ⁽ⁱⁱ⁾	RMB200,000,000	-	100	Commercial property operations
武漢中海海盛房地產有限公司 ⁽ⁱⁱⁱ⁾	RMB20,000,000	-	100	Property development
武漢中海海融房地產有限公司 ⁽ⁱⁱⁱ⁾	RMB20,000,000	-	100	Property development
武漢中海鼎盛房地產有限公司 ⁽ⁱⁱⁱ⁾	RMB20,000,000	-	100	Property development and commercial property operations
武漢海訊產城企業管理有限公司 ^(iv)	RMB10,000,000	-	99	Property development
鄭州中海地產有限公司 ⁽ⁱⁱⁱ⁾	RMB20,000,000	-	100	Property development
鄭州海越房地產開發有限公司 ⁽ⁱⁱⁱ⁾	RMB20,000,000	-	100	Property development
昆明海祥房地產開發有限公司 ⁽ⁱⁱⁱ⁾	RMB100,000,000	-	100	Property development and commercial property operations
昆明海潮房地產開發有限公司 ⁽ⁱⁱⁱ⁾	RMB20,000,000	-	100	Property development
貴陽中海房地產有限公司 ⁽ⁱⁱⁱ⁾	RMB20,000,000	-	100	Property development

Notes:

- (i) Foreign investment enterprise registered in the PRC
- (ii) Limited liability company registered in the PRC
- (iii) Incorporated in the Cayman Islands and operating in Hong Kong
- (iv) Incorporated and operating in Luxembourg
- (v) Incorporated and operating in Macau

* Accounted for as a subsidiary by virtue of the Company's control over it.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, 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 of the Company, result in particulars of excessive length.

All subsidiaries registered in the PRC are operating in the PRC. Unless otherwise specified, all other subsidiaries are incorporated and operating principally in Hong Kong.

None of the subsidiaries had any debt securities in issue at the end of the year except for guaranteed notes and corporate bonds (note 25) issued by China Overseas Finance (Cayman) III Limited (US\$500,000,000), China Overseas Finance (Cayman) V Limited (US\$300,000,000), China Overseas Finance (Cayman) VI Limited (US\$500,000,000), China Overseas Finance (Cayman) VII Limited (US\$750,000,000), China Overseas Finance (Cayman) VIII Limited (US\$1,444,000,000 and RMB3,190,000,000) and 中海企業發展集團有限公司 (RMB46,900,258,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current Assets		
Property, plant and equipment	25,330	44,794
Investments in subsidiaries	3,239,472	2,940,336
Total non-current assets	3,264,802	2,985,130
Current Assets		
Stock of properties	58	60
Other receivables	1,577	4,274
Deposits and prepayments	10,560	11,313
Amounts due from subsidiaries	156,053,099	156,124,193
Amounts due from associates	410	420
Amounts due from joint ventures	4,305	4,705
Bank balances and cash	1,996,282	3,490,389
Total current assets	158,066,291	159,635,354
Total Assets	161,331,093	162,620,484
Non-current Liabilities		
Lease liabilities	8,636	28,235
Bank loans	44,879,402	51,666,881
Other financial liabilities	317,695	415,009
Total non-current liabilities	45,205,733	52,110,125
Current Liabilities		
Other payables	208,704	175,471
Amounts due to subsidiaries	17,277,456	20,143,042
Lease liabilities	18,900	18,692
Income tax liabilities	4,064	4,063
Bank loans	14,141,387	3,693,188
Other financial liabilities	222,921	357,255
Total current liabilities	31,873,432	24,391,711
Total Liabilities	77,079,165	76,501,836
Net Assets	84,251,928	86,118,648
Equity		
Share capital	74,035,443	74,035,443
Reserves	Note (a) 10,216,485	12,083,205
Total Equity	84,251,928	86,118,648

The statement of financial position of the Company was approved by the Board of Directors on 31 March 2026 and was signed on its behalf by:

Yan Jianguo
Executive Director

Zhang Zhichao
Executive Director

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

(a) Reserves of the Company

	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	322,348	15,424,551	15,746,899
Profit for the year and total comprehensive income for the year	–	3,834,427	3,834,427
2023 final dividend	–	(4,536,107)	(4,536,107)
2024 interim dividend	–	(2,962,014)	(2,962,014)
Transfer of share option reserve when the related options lapsed	(322,348)	322,348	–
At 31 December 2024 and 1 January 2025	–	12,083,205	12,083,205
Profit for the year and total comprehensive income for the year	–	3,638,556	3,638,556
2024 final dividend	–	(2,987,953)	(2,987,953)
2025 interim dividend	–	(2,517,323)	(2,517,323)
At 31 December 2025	–	10,216,485	10,216,485

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026.

China Overseas Land & Investment Ltd.

10/F, Three Pacific Place, 1 Queen's Road East, Hong Kong
Tel:2988 0666 Fax:2865 7517

www.coli.com.hk

