



AGILE GROUP HOLDINGS LIMITED

雅居樂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 3383

ANNUAL REPORT  
**2025**



# CORPORATE PROFILE

Agile Group Holdings Limited (Stock Code: 3383) and its subsidiaries are principally engaged in the development of large-scale mixed-use property projects, with extensive presence in property management. The shares of Agile have been listed on the Main Board of Hong Kong Stock Exchange since 2005. As a renowned brand in China, the Group has established diversified businesses in various cities and districts in China and overseas. As at 31 December 2025, the Group has a land bank with a total planned GFA of 25.48 million sq.m..



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# FINANCIAL HIGHLIGHTS

## Consolidated Statement of Profit or Loss Highlights

	For the year ended 31 December		Change
	2025	2024	
Revenue (RMB million)	<b>27,859</b>	43,346	-35.7%
Gross loss (RMB million)	<b>(4,906)</b>	(521)	+841.3%
Gross loss margin	<b>(17.6%)</b>	(1.2%)	-16.4 percentage points
Net loss (RMB million)	<b>(21,983)</b>	(17,539)	+25.3%
Net loss margin	<b>(78.9%)</b>	(40.5%)	-38.4 percentage points
Loss attributable to shareholders of the Company (RMB million)	<b>(22,569)</b>	(17,216)	+31.1%
Basic loss per share (RMB)	<b>(4.473)</b>	(3.412)	+31.1%

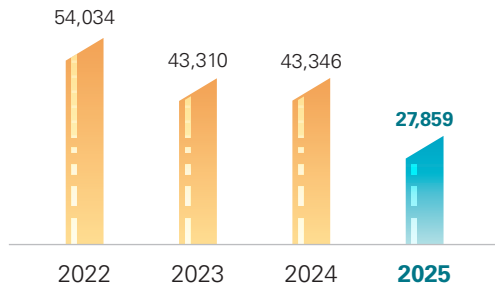
## Consolidated Statement of Financial Position Highlights

	As at 31 December		Change
	2025	2024	
Total assets (RMB million)	<b>171,460</b>	195,496	-12.3%
Cash and cash equivalents (RMB million)	<b>3,451</b>	4,232	-18.4%
Restricted cash (RMB million)	<b>2,128</b>	2,958	-28.0%
Short-term borrowings (RMB million)	<b>38,734</b>	38,327	+1.1%
Long-term borrowings (RMB million)	<b>8,071</b>	10,590	-23.8%
Shareholders' equity (RMB million)	<b>(12,671)</b>	10,344	-222.5%
Total debt/total assets	<b>27.3%</b>	25.0%	+2.3 percentage points
Net debt/total equity	<b>229.6%</b>	103.6%	+126.0 percentage points

# FINANCIAL HIGHLIGHTS (CONTINUED)

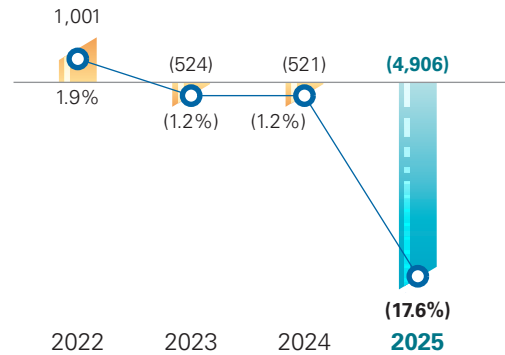
## Revenue

(RMB million)



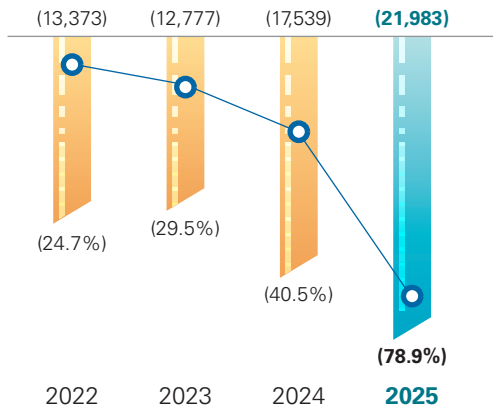
## Gross (Loss)/Profit and Gross (Loss)/Profit Margin

(RMB million/%)



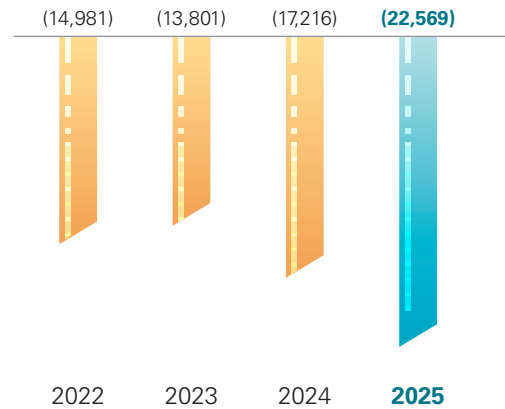
## Net Loss and Net Loss Margin

(RMB million/%)



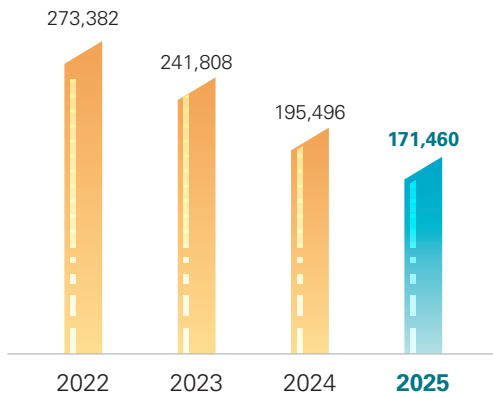
## Loss Attributable to Shareholders of the Company

(RMB million)



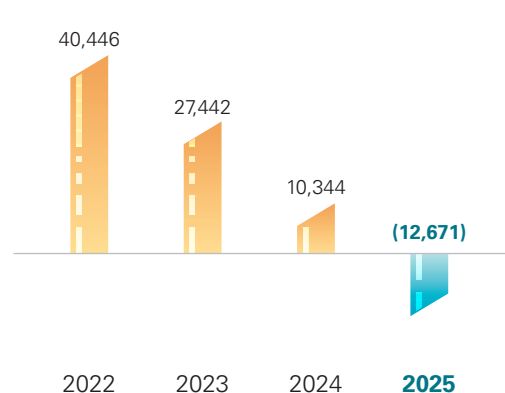
## Total Assets

(RMB million)



## Shareholders' Equity

(RMB million)



# MAJOR HONOURS AND AWARDS IN 2025



**1** 2025 Real Estate Developers in Comprehensive Strength – 50th

China Real Estate Association  
March 2025

**2** 2025 TOP100 Outstanding Real Estate Enterprises – 57th

Guandian Index Research Institute  
March 2025

**3** 2025 Fortune China 500 – 336th

FortuneChina  
July 2025

**4** 2025 TOP100 Chinese Real Estate Enterprises in Product Strength – 56th

E&H Consulting  
December 2025

**5** 2025 TOP100 Chinese Real Estate Enterprises in Product Strength – 55th

CRIC  
December 2025

# MAJOR HONOURS AND AWARDS IN 2025 (CONTINUED)



- 6 Outstanding Landscape and Public Space Design Award — Agile Genting Highlands**  
*Guangdong Real Estate Association*  
December 2025

**10 2025 TOP10 Chinese Property Service Enterprises in Comprehensive Strength — A-Living**  
*CPIC & CPMRI*  
June 2025
- 7 Outstanding Layout and Interior Space Design Award — Agile Genting Highlands**  
*Guangdong Real Estate Association*  
December 2025

**11 2025 High-Quality Development Value Brand — A-Living**  
*Time Weekly*  
November 2025
- 8 Outstanding Landscape and Public Space Design Award — Agile The One**  
*Guangdong Real Estate Association*  
December 2025

**12 2025 Leading Enterprise in Brand Reputation — A-Living**  
*CNR*  
December 2025
- 9 Outstanding Layout and Interior Space Design Award — Agile The One**  
*Guangdong Real Estate Association*  
December 2025

# CHAIRMAN'S STATEMENT

The Group will be consistently overcoming challenges and advancing its capabilities to actively adapt to the characteristics of the new market landscape and make full effort to facilitate the stable operation of businesses with a core strategy focused on ensuring delivery and maintaining operations. As such, the Group has fulfilled its corporate commitments with practical actions, thereby demonstrating its resilience and reliability in challenging times.

**CHEN Zhuo Lin**  
Chairman and President



### Dear Shareholders,

On behalf of the board of directors (the "Board") of Agile Group Holdings Limited ("Agile" or the "Company") and its subsidiaries (the "Group"), I am pleased to present the consolidated results of the Group for the year ended 31 December 2025 as follows:

### Business Review

During the year, the Group's total revenue was RMB27,859 million, with revenue of RMB12,729 million from property development, RMB12,826 million from property management and RMB2,304 million revenue from other businesses, accounting for 45.7%, 46.0% and 8.3% respectively. The Group's overall gross loss amounted to RMB4,906 million, with a gross loss rate of 17.6%. The Group's loss and the loss attributable to shareholders of the Company were RMB21,983 million and RMB22,569 million, respectively. As at 31 December 2025, the Group's total cash and bank deposits amounted to RMB5,579 million.

In 2025, the real estate market in China showed signs of bottoming out and stabilization, driven by the gradual effect of older policies together with a new round of supportive measures. The policies placed greater emphasis on targeted measures, working in concert to stabilize market expectations, support reasonable housing demand, mitigate industry risks, and promote the construction of "high-quality housing". In recent years, the real estate industry has experienced significant volatility. In spite of the current favorable policy trend, the

benefits have not yet been widely realized, and the Group continues to face significant challenges. During the year, the aggregate pre-sold amount of property projects of the Group, together with the joint ventures and associates of the Group as well as property projects which were on sale under the "Agile" brand name and managed by the Group amounted to RMB8.57 billion, representing a year-on-year decrease of 44.7%, while the corresponding aggregated gross floor area ("GFA") pre-sold was 0.939 million sq.m., representing a year-on-year decrease of 19.1%, and the average pre-sold price was RMB9,129 per sq.m., representing a year-on-year decrease of 31.7%. The further reduction in sales has had a notable impact on the Group's liquidity.

Amid the challenging market conditions and ongoing sluggish trend with constrained potentials, the Group has been consistently overcoming challenges and advancing its capabilities to actively adapt to the characteristics of the new market landscape and make full effort to facilitate the stable operation of businesses with a core strategy focused on ensuring delivery and maintaining operations. During the year, the Group delivered a total of approximately 16,000 units in 33 cities, including Zhongshan, Lingshui, Hanzhong, Tianjin, Yibin, Xishuangbanna, Taiyuan and Haikou, with a delivery area accumulated to approximately 1.35 million sq.m. As such, the Group has fulfilled its corporate commitments with practical actions, thereby demonstrating its resilience and reliability in challenging times.

## CHAIRMAN'S STATEMENT (CONTINUED)

### Prospects and Gratitude

The year 2026 marks the commencement of China's 15th Five-Year Plan. It is expected that real estate policies will continue to prioritize stabilizing market expectations, stimulating demand and optimizing supply to strengthen the advancement of urban renewal and the construction of "high-quality housing", promoting the stable operation of the real estate market and high-quality industry transformation. The Group will continue to focus on operations and sales. On one hand, measures will be taken continuously to accelerate property pre-sales and expedite delivery, focusing on the development of key city clusters, namely the Pearl River Delta and Yangtze River Delta, with a prudent development strategy. As at 31 December 2025, the Group had a land bank with a total planned GFA of approximately 25.48 million sq.m. in 69 cities, of which the land bank in the Pearl River Delta was approximately 7.57 million sq.m., accounting for approximately 30% of its total land bank, while the land bank in the Yangtze River Delta was approximately 1.31 million sq.m., accounting for approximately 5% of its total land bank. On the other hand, the Group has been working closely with its financial and other professional advisors, and engaged in multiple rounds of communication with major overseas creditors in respect of the restructuring plan to continuously optimize the terms of the restructuring plan and expedite the formulation of a reasonable and effective solution in hopes of enhancing financial flexibility, which enables the Group to better stabilize its operations and pursue long-term development.

On behalf of the Board of the Company, I would like to extend our heartfelt gratitude to our shareholders, customers, staff and other stakeholders for their unwavering support and dedication in contributing to the sustained development of the Group.

**CHEN Zhuo Lin**

*Chairman and President*

Hong Kong, 31 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overall performance

During the year, the Group's revenue was RMB27,859 million (2024: RMB43,346 million), representing a decrease of 35.7% over 2024. The Group's operating loss was RMB14,977 million (2024: operating loss RMB11,210 million), representing an increase of 33.6% over 2024.

The Group's net loss for the year was RMB21,983 million representing an increase of 25.3% when compared with net loss of RMB17,539 million in 2024.

Loss attributable to shareholders of the Company for the year was RMB22,569 million representing an increase of 31.1% when compared with loss of RMB17,216 million in 2024.

Basic loss per share was RMB4.473 for the year ended 31 December 2025 (2024: basic loss per share RMB3.412).

The loss was primarily due to the following:

1. the disposal/derecognition of subsidiaries recorded losses;
2. the impairment losses on investments accounted for using the equity method; and
3. the significant increase in the income tax expenses.

## Land bank

As at 31 December 2025, the Group had a land bank with a total planned GFA of approximately 25.48 million sq.m. in 69 cities located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Region, Yunnan Region, Northeast China Region, Northern China Region and Hong Kong. The average land cost was RMB2,463 per sq.m., which was competitive.

## Property development and sales

During the year, revenue from recognised sales of property development of the Group was RMB12,729 million, representing a decrease of 52.1% when compared with RMB26,552 million in 2024. The decrease was mainly due to the decrease in overall sales area and average selling price of properties. The total recognised GFA sold was 1.26 million sq.m., representing a decrease of 44.5% when compared with 2024. The recognised average selling price was RMB10,073 per sq.m. in 2025, representing a decrease of 13.7% when compared with RMB11,667 per sq.m. in 2024.

## Property management

During the year, revenue from property management of the Group was RMB12,826 million, representing a decrease of 6.2% when compared with RMB13,675 million in 2024. As at 31 December 2025, the Group's total GFA under management was 502.8 million sq.m., representing a decrease of 47.8 million sq.m. or a descent rate of 8.7% as compared with 550.6 million sq.m. as at 31 December 2024.

## Others

Others mainly comprise the business units involved in provision of property construction services, ecological landscaping services, intelligent home and decoration services, environmental protection service and commercial management services. During the year, revenue from others of the Group amounted to RMB2,304 million, representing a decrease of 26.1% compared with RMB3,119 million in 2024.

## Cost of sales

The Group's cost of sales mainly refers to the costs incurred directly from its property development activities and property management activities, including the cost of construction, fitting-out and design, costs of land use rights, capitalised interest, employee benefit expenses, cleaning expenses, security expenses, tax surcharge and others.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the year, the cost of sales of the Group amounted to RMB32,765 million, representing a decrease of 25.3% when compared with RMB43,867 million in 2024. The decrease was mainly attributable to the decreased in total recognised GFA sold.

### Gross loss

During the year, gross loss of the Group was RMB4,906 million, representing an increase of 841.3% when compared with gross loss of RMB521 million in 2024. During the year, gross loss margin of the Group was 17.6%. The increase was mainly resulting from the operating environment of the real estate industry remained tough, which weakened confidence of the buyers and slowed down property sales. The recognised average selling price decreased by 13.7% over last year, whilst the relevant average costs decreased by 4.1% compared to 2024.

### Other income and gains, net

During the year, other income and gains, net of the Group was RMB256 million, representing a decrease of 78.3% compared with RMB1,182 million in 2024. The change was mainly attributable to the interest income was RMB55 million, representing a decrease of RMB100 million compared with RMB155 million in 2024; and the net fair value gains on financial assets at fair value through profit or loss was RMB676 million in 2024, while there was losses recorded in other expenses during the year.

### Selling and marketing costs

During the year, the Group's selling and marketing costs amounted to RMB652 million, representing a decrease of 43.8% compared with RMB1,161 million in 2024. The decrease was mainly due to the Group's effective control of selling and marketing costs.

### Administrative expenses

During the year, the Group's administrative expenses amounted to RMB1,706 million, representing a decrease of 35.1% compared with RMB2,628 million in 2024. The decrease was mainly due to stringent cost control by the Group during the year.

### Other expenses

During the year, other expenses of the Group was RMB1,703 million, representing a decrease of 24.9% when compared with RMB2,267 million in 2024, which was mainly attributable to the decrease in the losses on disposal of joint ventures and associates.

### Finance costs, net

The Group's finance costs mainly consist of interest expenses on bank borrowings, other borrowings, senior notes, exchangeable bonds, PRC Corporate bonds, CMBS, MTN, and lease liabilities, and exchange gains or losses on foreign currency denominated borrowings, deduct capitalised interests.

During the year, the Group's net finance costs amounted to RMB478 million, representing a decrease of 26.4% as compared with RMB649 million in 2024. Such decrease was mainly due to the decline of average balance of borrowings of the Group, interest expenses was RMB3,590 million for the year ended 31 December 2025, representing a decrease of 17.1% when compared with RMB4,331 million in 2024.

### Share of losses and profits of investments accounted for using the equity method

During the year, the share of losses of investments accounted for using the equity method was RMB125 million, representing a decrease of 80.9% when compared with loss of RMB654 million in 2024. The decrease was mainly attributable to a decrease in the share of losses of joint ventures to RMB163 million in 2025 from RMB637 million in 2024, and an increase in share of profits of associates of RMB38 million in 2025 from losses of RMB17 million in 2024.

### Income tax expenses

During the year, the income tax expenses of the Group was RMB6,402 million, representing an increase of 27.4% compared with RMB5,026 million in 2024. The increase was mainly due to the increase in the Mainland China land appreciation tax.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Loss attributable to shareholders

Loss attributable to shareholders of the Company was RMB22,569 million for the year ended 31 December 2025, representing an increase of 31.1% when compared with loss of RMB17,216 million for the year ended 31 December 2024.

### Liquidity, financial and capital resources

#### Cash position and fund available

As at 31 December 2025, the total cash and bank balances of the Group were RMB5,579 million (31 December 2024: RMB7,189 million), of which RMB3,451 million (31 December 2024: RMB4,231 million) was cash and cash equivalents and RMB2,128 million (31 December 2024: RMB2,958 million) was restricted cash.

As at 31 December 2025 and 2024, restricted cash is mainly comprised of guarantee deposits for mortgage loans, guarantee deposits for construction of pre-sold properties and deposits for accident compensation.

#### Borrowings

As at 31 December 2025, the Group's total borrowings amounted to RMB46,806 million, of which (i) bank borrowings and other borrowings; (ii) senior notes; (iii) PRC Corporate Bonds, CMBS, MTN and exchangeable bonds, amounted to RMB27,321 million, RMB12,277 million and RMB7,208 million, respectively.

<b>Repayment schedule</b>	<b>As at 31 December 2025 (RMB million)</b>	As at 31 December 2024 (RMB million)
<b>Bank borrowings and other borrowings</b>		
Within 1 year	<b>23,178</b>	24,971
Over 1 year and within 2 years	<b>2,532</b>	1,327
Over 2 years and within 5 years	<b>1,611</b>	2,765
<b>Subtotal</b>	<b>27,321</b>	29,063
<b>Senior notes</b>		
Within 1 year	<b>12,277</b>	12,544
<b>Subtotal</b>	<b>12,277</b>	12,544
<b>PRC Corporate Bonds, CMBS, MTN and Exchangeable Bonds</b>		
Within 1 year	<b>3,279</b>	811
Over 1 year and within 2 years	<b>3,704</b>	3,089
Over 2 years and within 5 years	<b>225</b>	3,409
<b>Subtotal</b>	<b>7,208</b>	7,309
<b>Total</b>	<b>46,806</b>	48,916

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 31 December 2025, the Group's bank borrowings (including syndicated loans) of which RMB22,483 million (31 December 2024: RMB24,169 million) and other borrowings of which RMB1,982 million (31 December 2024: RMB1,908 million) were secured by certain of its land use rights, self-used properties, trade receivables, completed properties held for sale, properties under development, investment properties, the shares of certain subsidiaries and equity interests of a joint venture.

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries.

The CMBS of RMB3,643 million (31 December 2024: RMB3,719 million) was secured by the Group's receivables for certain properties under its operation as well as the self-used properties, land use rights and investment properties.

The exchangeable bonds of RMB1,915 million (31 December 2024: RMB1,726 million) were guaranteed by the Company and were secured by the pledges of A-Living Shares.

The net gearing ratio was the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2025, the net gearing ratio was 229.6% (31 December 2024: 103.6%).

### Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars, United States dollars and Malaysian Ringgit, and the Company's senior notes was denominated in United States dollars.

As at 31 December 2025, the Group did not enter into any foreign currency forward contracts. Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations.

### Cost of borrowings

In 2025, the total cost of borrowings (not including the interest expense of lease liabilities) of the Group was RMB3,586 million, representing a decrease of 17.0% when compared with RMB4,319 million in 2024. The decrease was mainly attributable to lower average balance of borrowings during 2025. The Group's effective borrowing rate for the year was 7.34% (2024: 8.02%).

### Contingent liabilities and financial guarantees

The Group has cooperated with certain financial institutions to arrange mortgage loan facilities for its purchasers of properties and to provide guarantees to secure obligations of such purchasers for repayments. As at 31 December 2025, the outstanding guarantees amounted to RMB27,643 million (31 December 2024: RMB34,843 million). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within one year after the purchasers take possession of the relevant properties; and (ii) the satisfaction of relevant mortgage loans by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the financial institutions, and the Group is entitled to take over the legal titles and possession of the related properties. The Group's guarantees start from the dates when the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable values of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of default in payments.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Several subsidiaries of the Group and other shareholders of associates have provided certain guarantees in proportion of their shareholding in associates in respect of loan facilities amounting to RMB920 million (31 December 2024: RMB2,469 million). As at 31 December 2025, the Group's share of the guarantees amounted to RMB451 million (31 December 2024: RMB1,958 million).

Several subsidiaries of the Group and joint venture partners have provided certain guarantees in proportion of their shareholding in certain joint ventures in respect of loan facilities amounting to RMB12,446 million (31 December 2024: RMB13,404 million). As at 31 December 2025, the Group's share of the guarantees amounted to RMB11,220 million (31 December 2024: RMB11,408 million).

As at 31 December 2025, the Group provided certain guarantees to certain independent third parties in respect of loan facilities amounting to RMB9,472 million (31 December 2024: RMB6,781 million).

### Commitments

As at 31 December 2025, the commitments of the Group in connection with the property development activities were RMB12,550 million (31 December 2024: RMB15,421 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB916 million (31 December 2024: RMB916 million). Additionally, the Group's capital commitments in respect of purchases of property, plant and equipment amounted to RMB1 million (31 December 2024: RMB2 million).

### Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

Reference is made to the announcements of the Company dated 24 June 2025 and 6 August 2025 in relation to disposal of equity interest in an associate of the Company and capital reduction of the associate.

On 23 June 2025, 廣東雅新產業投資有限公司 (Guangdong Yaxin Industrial Investment Co., Ltd. ^) ("**Yaxin Investment**"), a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with 廣東省食品進出口集團有限公司 (GUANGDONG FOODSTUFFS IMP. & EXP. GROUP CO., LTD. ^) ("**Guangdong Foodstuffs Export Group**"), pursuant to which Yaxin Investment conditionally agreed to sell and Guangdong Foodstuffs Export Group conditionally agreed to purchase 35,522,798 shares of Guangdong PRB Bio-Tech Co., Ltd. (the "**Target Company**") (representing approximately 21.1632% equity interest of the Target Company) at a consideration of RMB191,219,220; and Yaxin Investment and the Target Company entered into a repurchase agreement, pursuant to which Yaxin Investment conditionally agreed to sell and the Target Company conditionally agreed to repurchase, by way of targeted capital reduction, 7,949,410 shares of the Target Company (representing approximately 4.7360% equity interest of the Target Company) at a consideration of RMB42,791,700. Upon completion of the transactions under the sale and purchase agreement and the repurchase agreement, the Group will not hold any shares of the Target Company.

Save as disclosed above, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the period, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Holistic Debt Management

References are made to the announcements of the Company dated 14 May 2024 and 7 June 2024 in relation to, among others, the proposed holistic offshore debt management of the Group, and the announcements of the Company dated 30 June 2025, 4 August 2025, 30 September 2025 and 31 December 2025 in relation to, among others, the action plans of the Company to mitigate its liquidity issues.

As set out in the announcements dated 14 May 2024 and 7 June 2024, in light of the liquidity pressure faced by the Company, the Company has not made payment in relation to the interest on the US\$483 million 6.05% senior notes due 2025 (ISIN code: XS2243343204) upon the expiry of the grace period on 13 May 2024, and expected that it would not be able to fulfil all payment obligations under its offshore debts. The non-payment of the relevant debts may lead to creditors of the Company demanding acceleration of debt repayment.

As set out in the announcements of the Company dated 30 June 2025, 4 August 2025, 30 September 2025 and 31 December 2025, the Group has been taking active steps to manage its offshore debt. In particular, the Group has developed a cash flow forecasting model and simulated liquidation scenario analysis to support the restructuring plan. On such basis, the Group has been in ongoing negotiation with major offshore creditors, actively assisting with due diligence, engaging in multiple rounds of communication in relation to the restructuring plan, and continuously refining the terms of the restructuring plan in an effort to reach a consensus on the restructuring terms and implement the restructuring plan as soon as possible.

The Company looks forward to engaging and working with the creditors and calls for their patience, understanding and support in its quest for holistic solutions to its offshore debts.

Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material development on the proposed holistic offshore debt management of the Group as and when appropriate in accordance with the requirements of the Listing Rules, the Securities and Futures Ordinance and/or other applicable laws and regulations.

### Events after the reporting period

On 5 March 2026, 玉林市新滔環保科技有限公司 (Yulin Xintao Eco Technology Co., Ltd.<sup>^</sup>) (the “**Seller**”), a subsidiary of the Company, entered into a letter of intent with 玉林溢華環保科技有限公司 (Yulin Yihua Environmental Protection Technology Co, Ltd.<sup>^</sup>) (the “**Purchaser**”) where the Purchaser intends to acquire land, factory buildings and other immovable properties, as well as equipment, pipelines, construction in progress and other operating fixed assets (the “**Target Assets**”) from the Seller in cash. On 27 March 2026, the Seller entered into a formal agreement with the Purchaser where the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Assets for consideration of RMB1,150 million.

Please refer to the announcements of the Company dated 5 March 2026 and 27 March 2026 for details of the above matters.

Reference is made to the announcement of the Company dated 22 April 2026 in relation to disposal of equity interest in a subsidiary of the Company (“**April 2026 Announcement**”).

On 22 April 2026, 南通雅信企業管理諮詢有限公司 (Nantong Yaxin Enterprise Management Consulting Co., Ltd.<sup>^</sup>) (“**Nantong Yaxin**”) (an indirect non-wholly owned subsidiary of the Company), 中國房地產開發集團南通有限公司 (China Real Estate Development Group Nantong Co., Ltd.<sup>^</sup>) (“**China Real Estate Development Nantong**”) and 浙江祥雅房地產開發有限公司 (Zhejiang Xiangya Real Estate Development Co., Ltd.<sup>^</sup>) (the “**Project Company**”) entered into an equity transfer agreement, pursuant to which Nantong Yaxin agreed to sell, and China Real Estate Development Nantong agreed to purchase, the 50% equity interest of the Project Company for the consideration in the amount of RMB95,000,000. The consideration will be settled by China Real Estate Development Nantong assigning to Nantong Yaxin the debt in the principal amount of RMB95,000,000 owed to China Real Estate Development Nantong by the Project Company (the “**Assigned Debt**”). The Assigned Debt will be satisfied by the transfer of the Target Properties (as defined in the April 2026 Announcement) to Nantong Yaxin. Following completion of the transactions under the equity transfer agreement, the Company will cease to

have any interest in the Project Company and the Project Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Project Company will no longer be consolidated in the financial results of the Company.

Save as disclosed above, the Group did not have any other material event after the reporting period.

### Employees and remuneration policy

As at 31 December 2025, the Group had a total of 84,126 employees, among which 43 were senior management and 139 were middle management. By geographical locations, there were 84,104 employees in Mainland China, 20 employees in Hong Kong and 2 employees in overseas. For the year ended 31 December 2025, the total remuneration costs, including directors' remuneration, were RMB5,632 million (31 December 2024: RMB6,270 million).

The Group remunerates its employees by reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

### Property Development Pre-Sold

During the year, the aggregated pre-sold value of the Group, together with the joint ventures and associates of the Group as well as property projects carrying "Agile" brand name managed by the Group amounted to RMB8.57 billion, while the corresponding aggregated GFA pre-sold and average selling price were 0.939 million sq.m. and RMB9,129 per sq.m. respectively.

### Property Management

During the year, A-Living has developed four business lines, namely, property management services, property owners value-added services, city services and extended value-added services, with a nationwide coverage of multiple provinces and municipalities, and has developed a balanced business portfolio layout covering residential properties, public buildings and commercial and office buildings. The Group dedicates to providing high-quality and full-scenario services to property owners, undertaking the corporate mission of "becoming the preeminent quality service provider in China".

### Outlook

The year 2026 marks the commencement of China's 15th Five-Year Plan. It is expected that real estate policies will continue to prioritize stabilizing market expectations, stimulating demand and optimizing supply to strengthen the advancement of urban renewal and the construction of "high-quality housing", promoting the stable operation of the real estate market and high-quality industry transformation. The Group will continue to focus on operations and sales. On one hand, measures will be taken continuously to accelerate property pre-sales and expedite delivery. On the other hand, the Group will continue to increase efforts to advance the restructuring of its overseas debt and expedite the formulation of a reasonable and effective solution, in hopes of enhancing financial flexibility, which enables the Group to better stabilize its operations and pursue long-term development.

# PROPERTY DEVELOPMENT

In order to support the long-term stable growth of the property development business, the Group continues to enhance its competitiveness and maintain a strong brand recognition in the face of vigorous market competition by improving the products' planning and design and offering excellent sales and after-sales services.



- Southern China Region
- Eastern China Region
- Western China Region
- Central China Region
- Hainan Region

- Yunnan Region
- Northeast China Region
- Northern China Region
- Hong Kong
- Overseas



## PROPERTY DEVELOPMENT (CONTINUED)



### Business Overview

During the Year, the accumulated pre-sale value of the Group, together with the joint ventures and associates of the Group as well as property projects carrying “Agile” brand name managed by the Group amounted to RMB8.57 billion. The accumulated gross floor area (“GFA”) presold was 0.939 million sq.m., while the average selling price was RMB9,129 per sq.m..



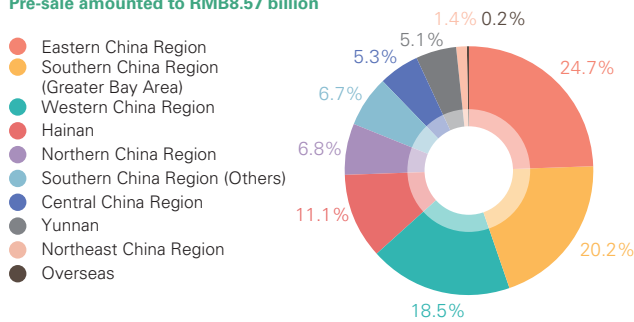
# PROPERTY DEVELOPMENT (CONTINUED)

In 2025, Southern China Region, Western China Region, Eastern China Region, Northern China Region, Yunnan Region, Central China Region and other regions accounted for 30.7%, 24.2%, 19.0%, 7.5%, 6.8%, 6.3% and 5.5% of GFA presold respectively. As at 31 December 2025, the Group had a land bank with total planned GFA of 25.48 million sq.m. in a total of 69 cities.

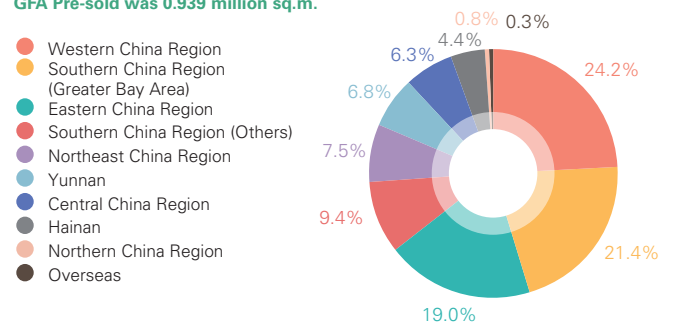


## Breakdown by Regions

Pre-sale amounted to RMB8.57 billion

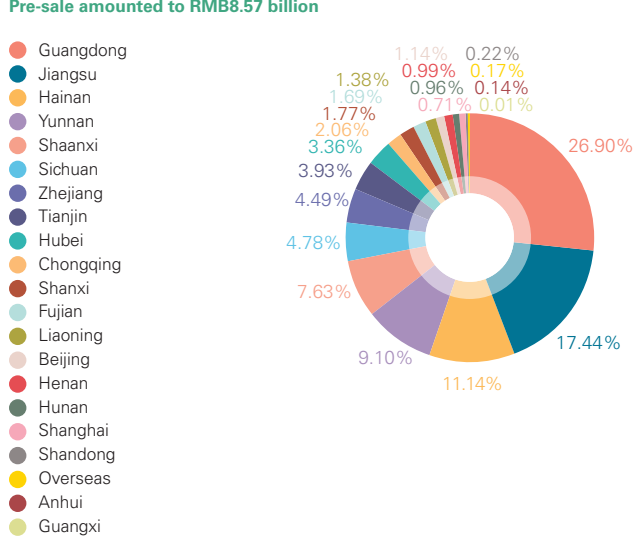


GFA Pre-sold was 0.939 million sq.m.

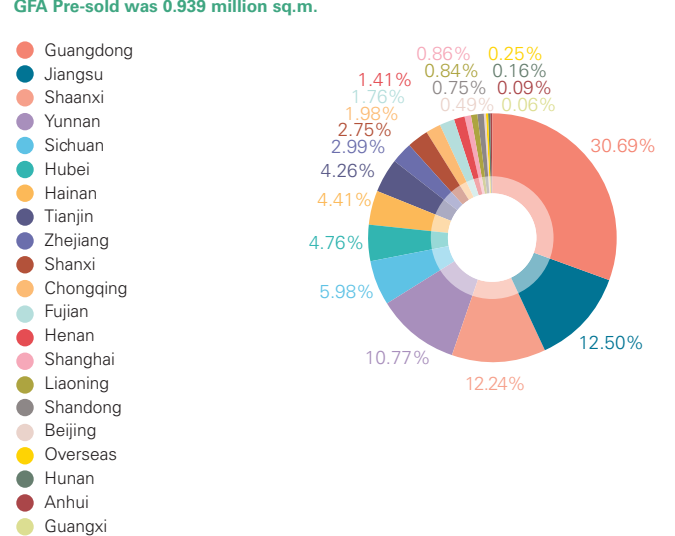


## Breakdown by Provinces

Pre-sale amounted to RMB8.57 billion



GFA Pre-sold was 0.939 million sq.m.



# PROPERTY DEVELOPMENT (CONTINUED)



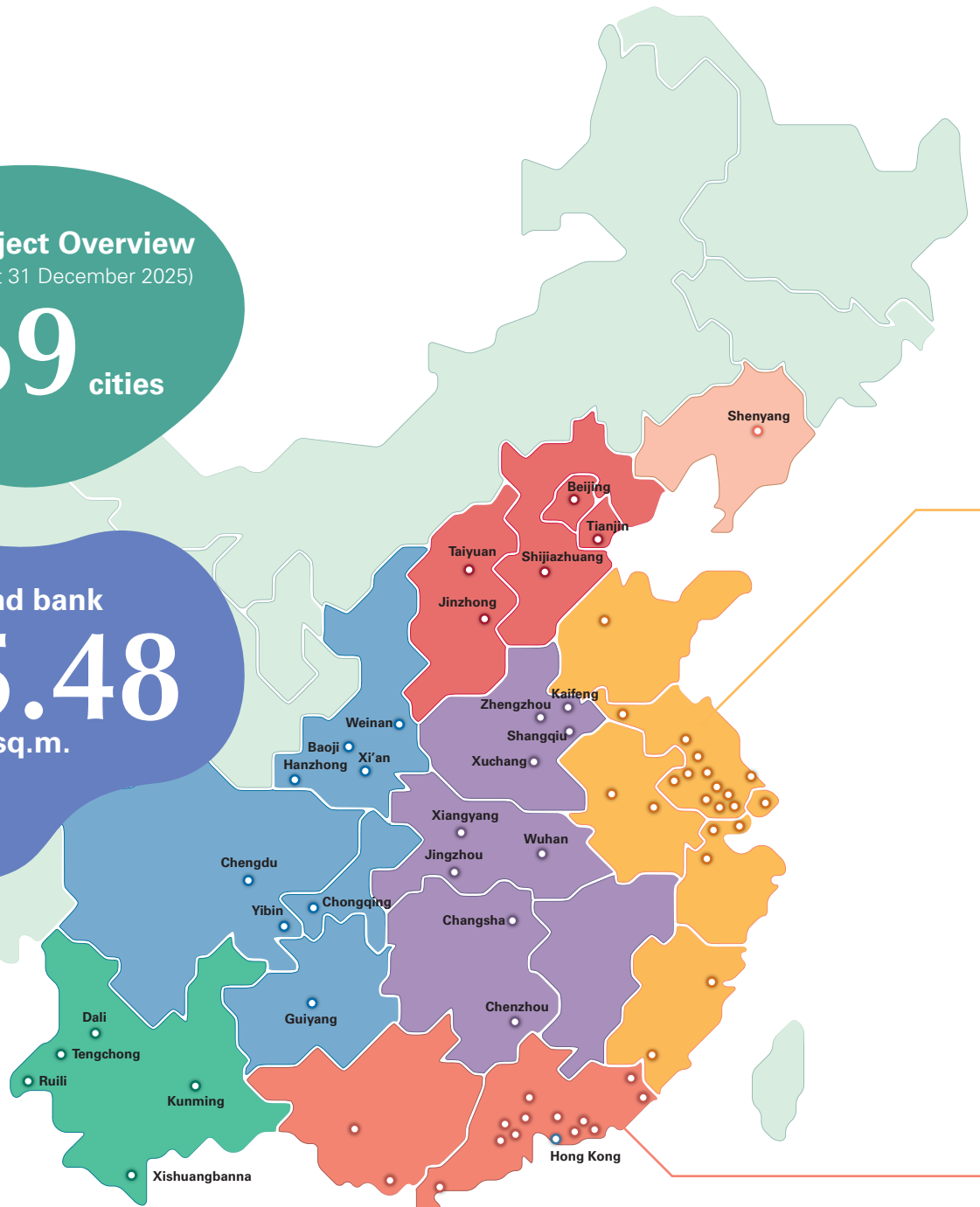
**Project Overview**  
(As at 31 December 2025)

**69** cities



Total land bank

**25.48**  
million sq.m.



- Southern China Region
- Eastern China Region
- Western China Region
- Central China Region
- Hainan Region
- Yunnan Region
- Northeast China Region
- Northern China Region
- Hong Kong

## PROPERTY DEVELOPMENT (CONTINUED)

Changzhou
Fuzhou
Hangzhou
Hefei
Huai'an
Huzhou
Jiaxing
Jinan
Kunshan
Nanjing
Nantong
Qidong
Shanghai
Shaoxing
Suzhou
Wuhu
Wuxi
Xuzhou
Yangzhou
Yixing
Zhangzhou
Zhenjiang

Beihai
Foshan
Guangzhou
Heyuan
Huizhou
Jiangmen
Jieyang
Maoming
Meizhou
Nanning
Qingyuan
Shantou
Shanwei
Zhaoqing
Zhongshan

### Province

	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Lank Bank (sq. m.)
Anhui	2	384,003	111,501
Beijing	2	116,938	116,940
Chongqing	7	1,402,997	790,887
Fujian	4	1,442,906	1,129,487
Guangdong	38	23,597,929	8,383,734
Guangxi	2	1,624,087	1,187,875
Guizhou	1	72,390	72,390
Hainan	6	8,796,715	1,084,815
Hebei	1	99,394	99,686
Henan	6	2,281,286	1,341,887
Hong Kong	1	6,030	6,030
Hubei	4	1,450,357	266,507
Hunan	3	1,555,157	766,594
Jiangsu	22	4,292,113	984,008
Liaoning	2	1,187,534	64,963
Shaanxi	5	2,411,990	881,247
Shandong	1	186,601	22,917
Shanghai	1	103,678	961
Shanxi	2	795,276	661,204
Sichuan	7	3,233,479	1,100,589
Tianjin	5	5,421,934	2,273,746
Yunnan	6	7,614,590	3,921,606
Zhejiang	5	487,262	209,266
<b>Total</b>	<b>133</b>	<b>68,564,645</b>	<b>25,478,837</b>

### Region

	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Lank Bank (sq. m.)
Southern China Region	40	25,222,016	9,571,609
Eastern China Region	35	6,896,562	2,458,139
Western China Region	20	7,120,856	2,845,112
Central China Region	13	5,286,800	2,374,988
Hainan Region	6	8,796,715	1,084,815
Yunnan Region	6	7,614,590	3,921,606
Northeast China Region	2	1,187,534	64,963
Northern China Region	10	6,433,542	3,151,576
Hong Kong	1	6,030	6,030
<b>Total</b>	<b>133</b>	<b>68,564,645</b>	<b>25,478,837</b>

# PROPERTY DEVELOPMENT (CONTINUED)

## Land Bank Table

As at 31 December 2025

No.	Project Name	City	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Southern China Region</b>					
1	Agile Skyline 715 Guangzhou	Guangzhou	100%	21,908	Liwan District, Guangzhou City
2	Agile Huadu County Guangzhou	Guangzhou	100%	67,260	Huadu District, Guangzhou City
3	Agile Riverside Park Guangzhou	Guangzhou	49%	126,140	Conghua District, Guangzhou City
4	Agile Riverside Garden Guangzhou	Guangzhou	100%	24,814	Conghua District, Guangzhou City
<b>Guangzhou Subtotal</b>				<b>240,122</b>	
5	La Cité Greenville Zhongshan	Zhongshan	100%	1,970,275	Torch High-Tech Industrial Development Zone, Zhongshan City
6	Metro Agile Zhongshan	Zhongshan	100%	1,476,285	Sanxiang Town, Zhongshan City
7	Agile Cambridgeshire Zhongshan	Zhongshan	100%	375,357	East District, Zhongshan City
8	Agile Royal Mount Zhongshan	Zhongshan	100%	563,253	Wugui Mountain Town, Zhongshan City
9	Agile Haotousha County Zhongshan	Zhongshan	100%	83,483	Torch High-Tech Industrial Development Zone, Zhongshan City
10	Agile River Pearl Zhongshan	Zhongshan	100%	27,868	Shiqi District, Zhongshan City
11	Crescent Hill Center City Zhongshan	Zhongshan	100%	181,667	Sanxiang Town, Zhongshan City
12	Genting Highlands Zhongshan	Zhongshan	50%	162,795	Torch High-tech Industrial Development Zone, Zhongshan City
13	Mont Orchid Riverlet Zhongshan	Zhongshan	60%	131,863	Torch High-tech Industrial Development Zone, Zhongshan City
14	Agile Diyin Lake Town Zhongshan	Zhongshan	50%	478,955	Sanjiao Town, Zhongshan City
15	The Leading World Zhongshan	Zhongshan	100%	35,993	Sanxiang Town, Zhongshan City
16	Shenzhong One Zhongshan	Zhongshan	50%	180,718	Nanlang Town, Zhongshan City
17	Zhongshan Hehua Hotel Project	Zhongshan	100%	64,536	Sanxiang Town, Zhongshan City
18	Agile City of Lohas Zhongshan	Zhongshan	100%	69,808	Sanxiang Town, Zhongshan City
19	Zhongshan Dongfeng Town Project	Zhongshan	100%	669,960	Dongfeng Town, Zhongshan City
20	Agile The One Zhongshan Project A	Zhongshan	65%	245,526	Tsuihang New District (Start-up Area), Zhongshan City
21	Agile The One Zhongshan Project B	Zhongshan	50%	503,617	Tsuihang New District (Start-up Area), Zhongshan City
<b>Zhongshan Subtotal</b>				<b>7,221,959</b>	
22	Agile Honorable Mansion Jiangmen	Jiangmen	51%	29,372	Xinhui District, Jiangmen City
<b>Jiangmen Subtotal</b>				<b>29,372</b>	
23	Agile Garden Shunde	Foshan	100%	212,410	Shunde District, Foshan City
24	Agile Mix City Shunde	Foshan	19%	62,515	Shunde District, Foshan City
25	Agile Cambridgeshire Shunde	Foshan	50%	110,833	Shunde District, Foshan City
26	Agile Landscape Foshan	Foshan	51%	27,407	Shunde District, Foshan City
<b>Foshan Subtotal</b>				<b>413,165</b>	

## PROPERTY DEVELOPMENT (CONTINUED)

Land Bank (sq.m.) (Note 1)									
Total Planned GFA of the Project (sq.m.)	Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			Project Completion Date (Overall Final)	
		Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)		
91,298	944	944	-	-	944	-	-	30/12/2021	
103,354	1,319	1,319	-	-	502	-	817	30/7/2024	
287,740	130,877	7,973	35,309	87,595	130,877	-	-	After Q4 2026	
91,987	252	-	252	-	252	-	-	30/4/2024	
<b>574,379</b>	<b>133,392</b>	<b>10,236</b>	<b>35,561</b>	<b>87,595</b>	<b>132,575</b>	<b>-</b>	<b>817</b>		
1,889,961	6,093	6,093	-	-	6,093	-	-	30/12/2014	
3,519,253	81,136	26,626	13,860	40,650	66,786	-	14,350	14/4/2028	
1,444,668	153,353	-	85,272	68,080	153,353	-	-	After Q4 2028	
1,126,505	1,759	1,759	-	-	1,759	-	-	29/6/2018	
62,933	116	116	-	-	116	-	-	18/1/2024	
69,316	108	108	-	-	108	-	-	28/6/2019	
454,167	15,584	15,584	-	-	15,584	-	-	20/4/2021	
356,382	264,100	29,467	80,208	154,425	264,100	-	-	After Q4 2028	
395,588	79,096	79,096	-	-	79,096	-	-	25/12/2022	
843,268	654,737	7,066	59,780	587,890	654,737	-	-	After Q4 2028	
71,986	182	182	-	-	182	-	-	22/4/2019	
451,795	451,793	-	-	451,793	451,793	-	-	After Q4 2028	
129,072	125,039	-	-	125,039	125,039	-	-	After Q4 2028	
154,987	2,210	2,210	-	-	2,210	-	-	9/12/2020	
1,288,419	1,288,419	-	-	1,288,419	1,288,419	-	-	After Q4 2028	
930,169	738,138	87,074	158,107	492,957	406,829	-	331,310	After Q4 2028	
850,211	850,211	-	-	850,211	850,211	-	-	After Q4 2028	
<b>14,038,681</b>	<b>4,712,072</b>	<b>255,380</b>	<b>397,228</b>	<b>4,059,464</b>	<b>4,366,412</b>	<b>-</b>	<b>345,660</b>		
63,525	2,161	2,161	-	-	2,161	-	-	23/9/2025	
<b>63,525</b>	<b>2,161</b>	<b>2,161</b>	<b>-</b>	<b>-</b>	<b>2,161</b>	<b>-</b>	<b>-</b>		
488,500	1,529	1,529	-	-	1,529	-	-	20/12/2012	
164,254	2,664	2,664	-	-	580	-	2,084	30/5/2024	
331,006	94,553	94,553	-	-	94,553	-	-	30/12/2024	
61,477	3,266	394	2,872	-	394	-	2,872	30/8/2024	
<b>1,045,238</b>	<b>102,011</b>	<b>99,139</b>	<b>2,872</b>	<b>-</b>	<b>97,055</b>	<b>-</b>	<b>4,956</b>		

## PROPERTY DEVELOPMENT (CONTINUED)

No.	Project Name	City	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
27(A)	Agile Egret Lake Huizhou Project A	Huizhou	51%	580,524	Ruhu Town, Huizhou City
27(B)	Agile Egret Lake Huizhou Project B	Huizhou	100%	1,414,155	Ruhu Town, Huizhou City
28	Agile Garden Huiyang	Huizhou	66%	1,248,191	Huiyang District, Huizhou City
29	Agile Duhuiya County Huizhou	Huizhou	51%	55,000	Zhongkai Huihuan, Huizhou City
<b>Huizhou Subtotal</b>				<b>3,297,870</b>	
30	Agile HK City Zhaoqing	Zhaoqing	100%	287,781	New District, Zhaoqing City
<b>Zhaoqing Subtotal</b>				<b>287,781</b>	
31	Heyuan Dongyuan County Central District Project	Heyuan	100%	60,704	Dongyuan County, Heyuan City
32	Agile Timeless Works Heyuan	Heyuan	50%	64,806	Zijin County, Heyuan City
33	Agile Costal Pearl Shanwei	Shanwei	49%	183,407	City District, Shanwei City
34	Fenghui Meizhou	Meizhou	50%	44,774	Meixian District, Meizhou City
35	Jieyang Jiedong District Project	Jieyang	100%	46,599	Jiedong District, Jieyang City
<b>Eastern Guangdong Subtotal</b>				<b>400,290</b>	
36	Agile Lohas New City Maoming	Maoming	100%	86,400	South District of Maoming Station, Maoming City
<b>Western Guangdong Subtotal</b>				<b>86,400</b>	
37	City of Lohas Qingyuan	Qingyuan	50%	53,331	Qingcheng District, Qingyuan City
38	Agile County Qingyuan	Qingyuan	51%	166,700	Qingcheng District, Qingyuan City
<b>Northern Guangdong Subtotal</b>				<b>220,031</b>	
39	Agile International Financial Center Nanning	Nanning	50%	56,736	Wuxian New District, Nanning City
40	Agile Golden Bay Beihai	Beihai	60%	667,213	Yinhai District, Beihai City
<b>Guangxi Subtotal</b>				<b>723,949</b>	
<b>Southern China Region Subtotal</b>				<b>12,920,938</b>	

## PROPERTY DEVELOPMENT (CONTINUED)

Land Bank (sq.m.) (Note 1)									
Total Planned GFA of the Project (sq.m.)	Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			Project Completion Date (Overall Final)	
		Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)		
811,500	694,604	-	115,850	578,754	694,604	-	-	After Q4 2026	
1,293,836	99,795	99,795	-	-	-	-	99,795	After Q4 2026	
2,995,658	1,384,077	117,584	-	1,266,493	1,384,077	-	-	After Q4 2026	
196,508	59,364	59,364	-	-	2,836	-	56,527	30/8/2024	
5,297,502	2,237,839	276,743	115,850	1,845,247	2,081,517	-	156,323		
714,484	385,119	42,555	-	342,564	385,119	-	-	After Q4 2026	
714,484	385,119	42,555	-	342,564	385,119	-	-		
151,760	11,769	11,769	-	-	10,766	-	1,003	31/10/2024	
162,015	162,015	-	-	162,015	162,015	-	-	After Q4 2026	
416,914	165,437	-	-	165,437	165,437	-	-	After Q4 2026	
116,412	2,687	2,687	-	-	2,687	-	-	30/10/2022	
157,914	34,260	1,175	33,085	-	34,260	-	-	After Q4 2026	
1,005,015	376,168	15,631	33,085	327,452	375,165	-	1,003		
212,414	212,758	-	119,578	93,180	188,689	-	24,068	After Q4 2026	
212,414	212,758	-	119,578	93,180	188,689	-	24,068		
168,158	2,093	2,093	-	-	2,093	-	-	30/12/2024	
478,533	220,121	594	114,283	105,244	220,121	-	-	After Q4 2026	
646,691	222,214	2,687	114,283	105,244	222,214	-	-		
375,446	126,317	126,317	-	-	-	-	126,317	20/12/2019	
1,248,641	1,061,558	20,651	174,793	866,114	1,061,558	-	-	After Q4 2026	
1,624,087	1,187,875	146,968	174,793	866,114	1,061,558	-	126,317		
25,222,016	9,571,609	851,499	993,250	7,726,860	8,912,465	-	659,144		

## PROPERTY DEVELOPMENT (CONTINUED)

No.	Project Name	City	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Eastern China Region</b>					
41	The Territory Nanjing	Nanjing	100%	316,697	Pukou District, Nanjing City
42	Agile Yajun Lanting Nanjing	Nanjing	62.5%	63,132	Jiangning District, Nanjing City
43	Yangzhou International Waterfront New Town Project	Yangzhou	51%	306,886	Jiangqiao Road, Yangzhou City
44	Yangzhou Huaisi Industrial Project	Yangzhou	100%	48,430	Hanjiang District, Yangzhou City
45	Agile Luxuriant Palace Zhenjiang	Zhenjiang	50%	75,795	Jingkou District, Zhenjiang City
46	Agile Fuchun Mountain Xuzhou	Xuzhou	50%	132,397	Yunlong District, Xuzhou City
47	Xuzhou Gulou District Project	Xuzhou	30%	41,100	Gulou District, Xuzhou City
48	Hefei Feidong Industrial Project	Hefei	100%	79,893	Circular Economy Demonstration Park, Hefei City
49	Agile New Joy Mansion Wuhu	Wuhu	60%	124,059	Yijiang District, Wuhu City
50	Agile Sheshan One Shanghai	Shanghai	30%	88,442	Songjiang District, Shanghai City
51	Agile Guanghe City Jiaxing	Jiaxing	40%	31,163	Jiashan County, Jiaxing City
52	Agile Yuejingzhuang Chunfengdu Jiaxing	Jiaxing	50%	31,025	Tongxiang City, Jiaxing City
53	Shaoxing Fenglin West Road Project	Shaoxing	100%	63,836	Yuecheng District, Shaoxing City
54	Huzhou Fenghuang District East Project	Huzhou	50%	65,257	Fenghuang District East, Huzhou City
55	Huzhou High Technology Town Project	Huzhou	100%	74,689	Changxing County, Huzhou City
56(A)	Agile Dream Lake Fairy Hill Changzhou Project A	Changzhou	100%	614,915	Jintan District, Changzhou City
56(B)	Agile Dream Lake Fairy Hill Changzhou Project B	Changzhou	95%	352,357	Jintan District, Changzhou City
57	Agile The Rivulet Changzhou	Changzhou	100%	98,451	Xinbei District, Changzhou City
58	Changzhou Industry Project	Changzhou	100%	85,644	Meixi Road, Changzhou City
59	Yixing Guanlin Industry Project	Yixing	100%	121,827	Guanlin Town, Yixing City
60	Agile Jingshang Yachen Changzhou	Changzhou	100%	48,985	Xinbei District, Changzhou City
61	Life in Park Wuxi	Wuxi	50%	89,647	Xinwu District, Wuxi City
62	Agile Honor Mansion Wuxi	Wuxi	100%	88,976	Jiangyin City, Wuxi City
63	Revive Mansion Wuxi	Wuxi	23%	21,820	Economic Development Zone, Wuxi City
64	Agile Metropolis Nantong	Nantong	40%	141,257	Haimen City, Nantong City
65	Agile Central Mansion Qidong	Qidong	100%	49,737	Jinqiao Road, Qidong City
66	Qidong Huashi Road East Project	Qidong	60%	72,182	Huashi Road East, Qidong City
67	Huai'an Industry Project	Huai'an	100%	65,855	Xinzhu Street, Huai'an City
68	Agile Luxuriant Palace Suzhou	Suzhou	6%	81,202	Xiangcheng Development Zone, Suzhou City
69	Suzhou Caohu Project	Suzhou	51%	49,913	Xiangcheng District, Suzhou City
70	Agile Lake Whisper Garden Kunshan	Kunshan	6%	60,291	Dianshan Lake Town, Kunshan City
71	Long Beach Fuzhou	Fuzhou	49%	70,618	Ting Jiang District, Fuzhou City
72	Agile Mountains & Aqua Fuzhou	Fuzhou	100%	39,096	Mawei District, Fuzhou City
73	Fuzhou Cangshan District Project	Fuzhou	100%	20,007	Cangshan District, Fuzhou City
74	Agile Xiangshan in the Bay Zhangzhou	Zhangzhou	51%	353,391	Zhangpu County, Zhangzhou City
75	Agile City of Lohas Jinan	Jinan	100%	69,495	Changqing District, Jinan City
<b>Eastern China Region Subtotal</b>				<b>4,138,467</b>	

# PROPERTY DEVELOPMENT (CONTINUED)

Land Bank (sq.m.) (Note 1)								
Total Planned GFA of the Project (sq.m.)	Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			Project Completion Date (Overall Final)
		Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
910,561	37,267	37,267	-	-	-	-	37,267	29/11/2019
155,769	54,049	5,912	48,137	-	54,049	-	-	20/12/2024
527,893	233,849	2,699	43,011	188,139	182,582	-	51,267	After Q4 2026
77,017	10,198	-	10,198	-	-	-	10,198	30/12/2024
127,524	12,107	12,107	-	-	12,107	-	-	25/12/2024
175,912	24,474	168	24,306	-	24,474	-	-	20/12/2024
99,804	3,180	3,180	-	-	3,180	-	-	7/9/2023
111,073	111,073	-	93,781	17,292	-	-	111,073	30/9/2024
272,930	428	428	-	-	428	-	-	15/8/2021
103,678	961	961	-	-	961	-	-	25/12/2024
68,555	5,942	5,942	-	-	595	-	5,347	30/9/2022
70,867	46,491	46,491	-	-	46,491	-	-	30/8/2024
108,418	108,418	-	108,418	-	108,418	-	-	30/11/2025
133,842	37,537	37,537	-	-	34,444	-	3,094	25/12/2023
105,580	10,878	10,878	-	-	-	-	10,878	15/12/2021
297,309	74,626	-	-	74,626	74,626	-	-	After Q4 2026
183,468	69,911	-	-	69,911	69,911	-	-	After Q4 2026
151,330	8,233	644	7,589	-	8,233	-	-	After Q4 2026
121,712	3,107	3,107	-	-	-	-	3,107	15/3/2023
109,824	39,117	13,368	-	25,748	-	-	39,117	After Q4 2026
107,599	8,934	8,934	-	-	8,934	-	-	10/1/2025
160,905	42,200	2,813	39,387	-	42,200	-	-	30/6/2025
179,262	178,248	-	178,248	-	178,248	-	-	After Q4 2026
49,039	2,544	2,544	-	-	2,544	-	-	30/1/2025
296,226	197	197	-	-	65	-	131	21/4/2022
126,522	72,367	14,078	58,289	-	54,617	-	17,750	After Q4 2026
137,165	74,838	-	74,838	-	74,838	-	-	After Q4 2026
66,101	32,618	-	-	32,618	-	-	32,618	25/8/2024
32,943	387	-	387	-	-	-	387	19/8/2022
89,746	228	228	-	-	228	-	-	30/7/2024
108,481	1,330	1,330	-	-	1,330	-	-	20/9/2023
197,730	60,568	60,568	-	-	52,798	-	7,770	10/10/2022
62,519	5,023	5,023	-	-	5,023	-	-	24/12/2019
41,931	62	62	-	-	62	-	-	30/12/2022
1,140,725	1,063,834	82,184	89,339	892,311	1,063,834	-	-	After Q4 2027
186,601	22,917	-	22,917	-	22,917	-	-	30/9/2024
6,896,562	2,458,139	358,649	798,844	1,300,646	2,128,135	-	330,004	

## PROPERTY DEVELOPMENT (CONTINUED)

No.	Project Name	City	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Western China Region</b>					
76	Agile Garden Chengdu	Chengdu	100%	1,338,960	Shuangliu County, Chengdu City
77	Agile Born to Shine Chengdu	Chengdu	49%	56,005	Qingbaijiang District, Chengdu City
78	Agile Boguang County Chengdu	Chengdu	100%	98,028	Wenjiang District, Chengdu City
79	IN Tian Fu Chengdu	Chengdu	30%	97,626	Chenghua District, Chengdu City
84(A)	Agile Nine Foothills Chengdu	Chengdu	100%	221,990	Sanlang Town, Chongzhou, Chengdu City
84(B)	Agile Nine Foothills Chengdu	Chengdu	51%	150,750	Sanlang Town, Chongzhou, Chengdu City
81	Chengdu Jianyang Project	Chengdu	34%	62,450	Shiqiao Street, Jianyang City, Chengdu City
82	Yibin Xuzhou District Project	Yibin	100%	150,963	Xuzhou District, Yibin City
83	Agile Life Diary Xi'an	Xi'an	100%	277,519	Chang'an District, Xi'an City
84	Agile North City County Xi'an	Xi'an	100%	128,087	Xixian New District, Xi'an City
85	Baoji Taibai Mountain National Tourism Scenic Area Project	Baoji	35%	105,816	Mei County, Baoji City
86	Agile Garden Hanzhong	Hanzhong	100%	442,647	Hantai District, Hanzhong City
87	Agile Hanlin Garden Weinan	Weinan	100%	43,637	Downtown Weinan City
88	Guiyang Huaxi District Project	Guiyan	100%	29,104	Guiyang Economic and Technological Development Zone, Guiyang City
89	Agile Mountain Chongqing	Chongqing	100%	203,112	Liangjiang New District, Chongqing Municipality
90	Chongqing Jiahe Avenue Project	Chongqing	100%	139,225	Hechuan District, Chongqing Municipality
91	Agile Jiulong County Chongqing	Chongqing	100%	50,035	Jiu Long Po District, Chongqing Municipality
92	Agile Star County Chongqing	Chongqing	100%	112,059	Beibei District, Chongqing Municipality
93	Chongqing Tianding Yinxing Project	Chongqing	100%	98,981	Hechuan District, Chongqing Municipality
94	Chongqing Ba'nán District Project	Chongqing	60%	79,883	Ba'nán District, Chongqing Municipality
95	Agile Lan'an Garden Chongqing	Chongqing	51%	35,519	Bishan District, Chongqing Municipality
<b>Western China Region Subtotal</b>				<b>3,922,395</b>	
<b>Central China Region</b>					
96	Bund Mansion Changsha	Changsha	50%	197,406	Kaifu District, Changsha City
97	Agile Evian Town Changsha	Changsha	100%	410,911	Ningxiang County, Changsha City
98	West City Garden Zhengzhou	Zhengzhou	33%	46,691	Shangyin West Road, Xingyang, Zhengzhou City
99	Agile Romantic Town Gongyi	Zhengzhou	36.7%	492,100	Baisha District, Gongyi, Zhengzhou City
100	Grand View Kaifeng	Kaifeng	51%	59,545	No. 6 Avenue, Kaifeng City
101	Guokong Kaifeng	Kaifeng	20.4%	264,008	Longting District, Kaifeng City
102	Agile Hanlinya County Xuchang	Xuchang	100%	165,972	Jian'an District, Xuchang City
103	Lantai Mansion Shangqiu	Shangqiu	49%	59,698	Suiyang District, Shangqiu City
104	Agile Nanlu Mountain Chenzhou	Chenzhou	50%	121,066	Suxian District, Chenzhou City
105	Agile International Garden Wuhan	Wuhan	100%	406,583	Jiangxia District, Wuhan City
106	Agile City of Lohas Jingzhou	Jingzhou	100%	42,113	Jingzhou District, Jingzhou City
107	Agile Modern Mansion Xiangyang	Xiangyang	100%	213,809	Dongjin New District, Xiangyang City
108	Agile Beichen County Xiangyang	Xiangyang	60%	37,700	Gaoxin District, Xiangyang City
<b>Central China Region Subtotal</b>				<b>2,517,601</b>	

# PROPERTY DEVELOPMENT (CONTINUED)

## Land Bank (sq.m.) (Note 1)

Total Planned GFA of the Project (sq.m.)	Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			Project Completion Date (Overall Final)
		Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
1,606,752	83,321	83,321	-	-	-	75,167	8,154	30/6/2020
112,011	134	134	-	-	134	-	-	30/9/2023
245,811	55,506	3,583	51,922	-	899	-	54,606	30/3/2025
244,000	98,667	936	97,731	-	55,318	-	43,349	30/6/2026
345,898	315,658	42,535	-	273,123	315,658	-	-	30/9/2028
101,029	69,108	21,904	14,730	32,474	329	5,354	63,425	30/9/2028
156,125	156,125	-	83,262	72,863	141,777	-	14,348	30/6/2028
421,853	322,072	11,043	107,782	203,247	317,173	-	4,898	30/3/2027
691,420	113,624	-	70,447	43,176	-	-	113,624	30/12/2026
256,174	169,756	33,261	136,495	-	169,756	-	-	25/12/2024
116,331	100,574	3,573	38,062	58,939	100,574	-	-	31/12/2027
1,244,439	494,606	8,138	246,364	240,104	494,606	-	-	30/6/2028
103,626	2,687	2,687	-	-	2,687	-	-	30/3/2023
72,390	72,390	-	72,390	-	72,390	-	-	30/12/2026
367,428	69,771	16,990	11,970	40,811	68,858	-	913	30/11/2026
409,627	409,627	-	149,696	259,931	409,627	-	-	30/9/2028
104,318	1,819	1,819	-	-	1,819	-	-	7/4/2023
168,142	38,415	-	-	38,415	7,233	-	31,182	30/12/2026
166,967	166,967	-	-	166,967	166,967	-	-	30/12/2026
123,347	83,830	334	83,496	-	80,679	-	3,151	30/12/2026
63,169	20,459	918	19,541	-	918	-	19,541	30/3/2025
<b>7,120,856</b>	<b>2,845,112</b>	<b>231,174</b>	<b>1,183,888</b>	<b>1,430,050</b>	<b>2,407,399</b>	<b>80,521</b>	<b>357,192</b>	
670,237	289,730	256	-	289,474	256	-	289,474	After Q4 2026
739,641	355,578	3,385	-	352,193	355,504	-	74	After Q4 2026
116,707	116,707	-	116,707	-	116,707	-	-	30/12/2025
765,200	574,154	61,135	147,270	365,750	452,953	-	121,201	20/6/2029
148,387	112	112	-	-	112	-	-	30/6/2022
659,141	357,124	5,668	76,891	274,565	357,124	-	-	31/12/2026
444,910	219,913	-	-	219,913	219,913	-	-	31/7/2029
146,941	73,877	15,071	-	58,806	73,877	-	-	31/12/2025
145,279	121,285	3,118	7,863	110,304	121,285	-	-	After Q4 2026
790,694	16,775	16,775	-	-	12,316	-	4,459	30/7/2024
146,931	3,799	3,799	-	-	3,799	-	-	30/6/2023
442,912	176,587	2,431	174,156	-	96,812	-	79,775	30/6/2025
69,820	69,346	-	69,346	-	69,346	-	-	31/12/2024
<b>5,286,800</b>	<b>2,374,988</b>	<b>111,749</b>	<b>592,232</b>	<b>1,671,006</b>	<b>1,880,003</b>	<b>-</b>	<b>494,985</b>	

## PROPERTY DEVELOPMENT (CONTINUED)

No.	Project Name	City	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Hainan Region</b>					
109	Hainan Clearwater Bay	Lingshui	100%	10,427,293	Yingzhou Town, Lingshui Li Minority Autonomous County
110	Agile Starlight City Hainan	Wenchang	100%	110,098	Longlou Town, Wenchang City
111	Agile Golden Bay Hainan	Haikou	100%	408,444	West Coast, Haikou City
112	Agile Center Haikou	Haikou	60%	36,494	Main Urban Area, Haikou City
113	Hainan Shangen Bay Project	Wanning	100%	41,811	Longgun Town, Wanning City
114	Lingao Nanbao Town Project	Lingao	100%	88,963	Nanbao Town, Lingao City
<b>Hainan Region Subtotal</b>				<b>11,113,103</b>	
<b>Yunnan Region</b>					
115	Agile International Garden Ruili	Ruili	100%	413,273	CBD area, Nongmo Lake, Ruili City
116	Agile Eden Yunnan	Tengchong	100%	2,423,266	Qushi Community, Qushi Town, Tengchong City
117	Agile Erhai Dali	Dali	100%	62,215	Economic and Technological Development Zone, Dali City, Dali Bai Autonomous Prefecture
118	Agile Quenya Yunnan	Xishuangbanna	100%	1,071,600	Jinghong City, Xishuangbanna
119	Agile Central County Kunming	Kunming	100%	114,200	Guandu District, Kunming City
120	Agile City Central Kunming	Kunming	50%	73,912	Xishan District, Kunming City
<b>Yunnan Region Subtotal</b>				<b>4,158,466</b>	
<b>Northeast China Region</b>					
121	Agile Garden Shenyang	Shenyang	100%	536,800	Shenbei New District, Shenyang City
122	Agile Sheng Jing Ya Fu Shenyang	Shenyang	100%	36,300	Hunnan District, Shenyang City
<b>Northeast China Region Subtotal</b>				<b>573,100</b>	
<b>Northern China Region</b>					
123	Tianjin Jinnan New City	Tianjin	25%	1,289,227	Jinnan District, Tianjin Municipality
124	Agile Chairman Tianjin	Tianjin	100%	85,689	Haihe Education Park, Tianjin Municipality
125	Agile Binhe County Tianjin	Tianjin	48%	802,610	Binhai New District, Tianjin Municipality
126	Agile Samite Dajia Tianjin	Tianjin	50%	230,355	Haihe Education Park, Tianjin Municipality
127	Agile Baodi Jinqiao International Town Tianjin	Tianjin	49%	493,930	Baodi District, Tianjin Municipality
128	Younge'nd Peninsula Jinzhong	Jinzhong	49.5%	147,060	Yuci District, Jinzhong City
129	Beijing Yanqing District Project	Beijing	51%	198,254	Yanqing County, Beijing City
130	Beijing Mentougou District Project	Beijing	100%	52,916	Mentougou District, Beijing City
131	Agile Territory Epic Taiyuan	Taiyuan	82%	87,907	Yingze District, Taiyuan City
132	Agile Chairman Shijiazhuang	Shijiazhuang	100%	49,697	Zhengding New District, Shijiazhuang City
<b>Northern China Region Subtotal</b>				<b>3,437,645</b>	
<b>Hong Kong</b>					
133	Eastbourne Road Kowloon Tong Project A	Hong Kong	100%	2,010	6 Eastbourne Road, Kowloon Tong, Hong Kong
<b>Hong Kong Subtotal</b>				<b>2,010</b>	
<b>Grand Total</b>				<b>42,783,725</b>	

Note:

- Land bank data includes only GFA that is calculated based on plot ratio and A=B=C. The data of completed GFA and GFA under development are as at 31 December 2025. Data are derived from the Group's internal record.

# PROPERTY DEVELOPMENT (CONTINUED)

Land Bank (sq.m.) (Note 1)									
Total Planned GFA of the Project (sq.m.)	Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			Project Completion Date (Overall Final)	
		Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)		
7,608,563	733,165	394,322	253,173	85,671	702,845	-	30,320	30/12/2028	
270,767	196,846	24,222	45,251	127,373	196,846	-	-	30/6/2028	
731,384	50,461	18,518	-	31,942	18,518	31,942	-	30/10/2023	
97,099	15,440	15,440	-	-	-	-	15,440	17/12/2021	
47,141	47,141	-	-	47,141	47,141	-	-	30/12/2028	
41,762	41,762	-	17,682	24,080	24,080	17,682	-	After Q4 2027	
<b>8,796,715</b>	<b>1,084,815</b>	<b>452,502</b>	<b>316,106</b>	<b>316,207</b>	<b>989,431</b>	<b>49,624</b>	<b>45,760</b>		
1,400,178	572,154	8,769	-	563,385	572,154	-	-	30/12/2029	
4,004,836	2,380,073	51,813	-	2,328,260	2,338,393	-	41,680	30/3/2040	
240,744	155,030	40,062	-	114,968	155,030	-	-	31/5/2027	
1,285,920	479,908	25,328	182,909	271,671	479,908	-	-	30/12/2030	
368,609	200,766	399	69,194	131,174	69,592	-	131,174	30/6/2027	
314,304	133,675	14,091	119,584	-	14,091	-	119,584	1/7/2027	
<b>7,614,590</b>	<b>3,921,606</b>	<b>140,461</b>	<b>371,686</b>	<b>3,409,458</b>	<b>3,629,168</b>	<b>-</b>	<b>292,438</b>		
1,110,834	1,029	1,029	-	-	1,029	-	-	28/10/2021	
76,700	63,934	63,934	-	-	48,996	-	14,938	22/2/2021	
<b>1,187,534</b>	<b>64,963</b>	<b>64,963</b>	<b>-</b>	<b>-</b>	<b>50,025</b>	<b>-</b>	<b>14,938</b>		
3,010,901	598,329	50,510	511,818	36,000	155,710	36,000	406,618	30/12/2026	
128,532	20,014	-	20,014	-	20,014	-	-	30/12/2026	
1,122,661	910,101	844	214,043	695,214	910,101	-	-	28/6/2036	
327,276	126,837	889	54,270	71,678	55,159	-	71,678	30/11/2026	
832,564	618,466	17,588	250,282	350,596	386,915	20,000	211,551	4/3/2027	
450,699	309,882	-	245,331	64,551	306,441	-	3,441	30/11/2025	
65,000	65,000	-	-	65,000	65,000	-	-	30/10/2026	
51,938	51,940	-	51,940	-	51,507	-	433	31/12/2022	
344,577	351,323	-	238,386	112,936	347,575	-	3,748	30/3/2028	
99,394	99,686	-	99,686	-	99,686	-	-	15/8/2023	
<b>6,433,542</b>	<b>3,151,576</b>	<b>69,832</b>	<b>1,685,770</b>	<b>1,395,974</b>	<b>2,398,108</b>	<b>56,000</b>	<b>697,468</b>		
6,030	6,030	-	-	6,030	6,030	-	-	After Q4 2026	
<b>6,030</b>	<b>6,030</b>	<b>-</b>	<b>-</b>	<b>6,030</b>	<b>6,030</b>	<b>-</b>	<b>-</b>		
<b>68,564,645</b>	<b>25,478,837</b>	<b>2,280,829</b>	<b>5,941,776</b>	<b>17,256,232</b>	<b>22,400,764</b>	<b>186,145</b>	<b>2,891,928</b>		

# OTHER BUSINESSES

The Group focuses on property development as its core business while also venturing into property management, environmental protection, and commercial sectors. The synergistic development of various business segments and the synergy effect will lay a solid foundation for the sustainable development of the Group in the future.



AGILE  
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## A-LIVING

Founded in 1992, A-Living was listed on Hong Kong Stock Exchange (stock code: 3319.HK). It ranks among TOP 4 Property Service Companies in China. It engages in the businesses of property management services, property owners value-added services, city services and extended value-added services. During the year, with the development strategy of “stabilizing operations, managing risks, seeking breakthroughs and building the brand”,

A-Living focused on enhancing the “service strength” and “product strength” of its non-cyclical businesses, in order to achieve steady operations.

A-Living will continue to focus on service quality and adhere to the corporate mission of “lifelong caring for you, heartwarming service to city”, striving to become a preeminent quality service provider in China.



### ENVIRONMENTAL PROTECTION

Since its establishment in 2015, Agile Environmental Protection has been envisioning “Clean and Beautiful Homeland, Happy and Better Life” for people and focusing on three major businesses, including industrial hazardous waste treatment, eco-industrial parks and water treatment. Currently, Agile Environmental Protection has established operations in approximately 30 major industrial hubs across 13 provinces, municipalities and autonomous regions in China. With a strategic framework centered on industrial environmental protection and supported by municipal environmental protection, Agile Environmental Protection has developed into a comprehensive service operator with diversified and synergistic businesses.



### COMMERCIAL

Agile Commercial was established in 2018 and has two core business segments, including commercial management and hotel management. It owns a portfolio of shopping malls, hotels and community/neighborhood businesses, catering to diverse needs such as daily living, leisure, entertainment, and tourism and vacation. It serves as a professional service platform for commercial property investment and operation management of Agile.



# INVESTOR RELATIONS



The Group has been upholding the management concept of “mutual communication for a win-win situation”. Subject to related Listing Rules and regulations, the Group keeps close dialogues with the investment community through multichannel and maintains a high level of transparency. The Group aims to enhance investors’ understanding of the Group’s business by informing the market of the Group’s operating results and latest development in a timely and precise manner. The Group also takes into account the valuable suggestions from investors when formulating future development strategies.

# DIRECTORS' PROFILE

**Mr. CHEN Zhuo Lin (陳卓林)**, aged 64, is the Chairman and the President. Mr. Chen is the founder of the Group. He has been the Chairman and an executive Director since August 2005 and the President since March 2014. Mr. Chen is also the chairperson of the executive committee of the Board and a director of certain subsidiaries of the Company. Mr. Chen has over 33 years of extensive experience in real estate development and management. He is mainly responsible for the formulation of development strategies, directions on the operations and management of overall business, decision-making on investment projects, setting the goal of the financial year for the Group and maintaining the relationship between the Group and the Shareholders. Mr. Chen received several honorary awards, including "World Outstanding Chinese Award (世界傑出華人獎)", "Top 30 Chinese Philanthropist in 30 Years of Reform (改革開放30年·華人慈善30人)", "China Philanthropy Outstanding Contribution Individual Award (中華慈善突出貢獻人物獎)", "Top 10 Persons of the Year for China Enterprise Management Excellence Award (中國企業十大卓越管理年度人物)", "Year of the People in Education of Zhongshan (中山教育年度人物)" and "Honourary Resident in Zhongshan (中山市榮譽市民)". For the public services, Mr. Chen serves as an executive vice chairperson of the 5th China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會), an executive director of the 5th China Overseas Friendship Association (中華海外聯誼會), an honorary vice president and executive director (the 5th Council) of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), an honorary chairperson of the 4th Council of Sun Yat-sen Foundation (孫中山基金會), the executive vice chairperson of the 5th Council of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會), an executive chairperson of the 5th Council of Guangdong Real Estate Chamber of Commerce (廣東省地產商會), the chairperson of the Bureau of Friends of Hong Kong Association Development Foundation, the vice president of New Home Association, the vice chairperson of the 6th Zhongshan Overseas Chinese Commercial Association (中山市僑資企業商會) and a special counsellor of Our Hong Kong Foundation. Mr. Chen is the brother of Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026), Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam. Mr. Chen is a director of each of Top Coast and Full Choice. Mr. Chen is also a shareholder of Full Choice.

**Madam YUE Yuan (岳元)**, aged 50, has been an executive Director since 18 December 2024. She is also the chairperson of the risk management committee, a member of the nomination committee, the remuneration committee and the executive committee of the Board, the vice president of the Company and vice president of the property business of the Group. Madam Yue joined the Group in 2006. She is currently mainly responsible for the management of the affairs of the operation centre, cost procurement centre and human resources and administration centre of the Company, and property business of the Group and is in charge of East China property business and Hong Kong headquarters. Madam Yue holds a Bachelor of Engineering degree from Lanzhou Jiaotong University (蘭州交通大學) (formerly known as Lanzhou Railway University (蘭州鐵道學院)) and a Master of Science degree in Construction Project Management from the University of Hong Kong. She is a PRC registered budgeting engineer and a member of the Royal Institution of Chartered Surveyors. Madam Yue has previously served as a non-executive director of A-Living (stock code: 3319) from May 2019 to July 2023 and from May 2024 to May 2025.

## DIRECTORS' PROFILE (CONTINUED)

**Mr. CHAN Cheuk Hei (陳卓喜)**, aged 67, has been a NED since 28 March 2014. He was an executive Director and a vice president of the Company from August 2005 to 28 March 2014. Mr. Chan has over 33 years of extensive experience in real estate development and related business. He is mainly responsible for providing advice to the Board on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and the review of the Group's performance. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026) and Mr. Chan Cheuk Nam.

**Mr. CHAN Cheuk Nam (陳卓南)**, aged 62, has been a NED since 28 March 2014. He was an executive Director and a vice president of the Company from August 2005 to 28 March 2014. Mr. Chan has over 33 years of extensive experience in real estate development and management. He is mainly responsible for providing advice to the Board on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and the review of the Group's performance. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026) and Mr. Chan Cheuk Hei.

**Mr. KWONG Che Keung, Gordon (鄺志強)**, aged 76, has been an INED since 27 October 2005. He is also the chairperson of the audit committee and a member of the remuneration committee and the nomination committee of the Board. Mr. Kwong is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Social Science degree from The University of Hong Kong and is a fellow member of both The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Kwong is currently an independent non-executive director of Henderson Land Development Company Limited\* (stock code: 12), Henderson Investment Limited\* (stock code: 97), Chow Tai Fook Jewellery Group Limited\* (stock code: 1929), FSE Lifestyle Services Limited\* (stock code: 331), COSCO SHIPPING International (Hong Kong) Co., Ltd.\* (stock code: 517), Shanghai Commercial Bank Limited. He resigned as an independent non-executive director of Piraeus Port Authority S.A. (a company listed in Athens, Greece) in July 2025. Mr. Kwong was a partner of Pricewaterhouse from 1984 to 1998 and a council member of Hong Kong Stock Exchange from 1991 to 1997.

\* Listed on Hong Kong Stock Exchange

**Mr. HUI Chiu Chung, Stephen (許照中)**, JP, aged 78, has been an INED since 27 June 2014. He is also the chairperson of the nomination committee, a member of the audit committee, the remuneration committee and risk management committee of the Board. Mr. Hui is mainly responsible for providing independent advice to the Board. He has over 50 years of experience in the securities and investment industry. He is a senior fellow member of Hong Kong Securities and Investment Institute and a fellow member of The Hong Kong Institute of Directors. He served as a council member and vice chairman of Hong Kong Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission (“SFC”), a director of the Hong Kong Securities Clearing Company Limited, an appointed independent non-executive director of Hong Kong Exchange and Clearing Limited, a member of the Listing Committee of Hong Kong Stock Exchange, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform, an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A, a member of the Committee on Real Estate Investment Trusts of the SFC, an appointed member of Zhuhai Municipal Committee of the Chinese People’s Political Consultative Conference, a member of Hengqin New Area Development Advisory Committee and a consultant of Hong Kong and Macao Legal Issues Expert Group of The Administrative Committee of Hengqin New Area, Zhuhai. Mr. Hui is appointed by the Government of the Hong Kong Special Administrative Region as a Justice of the Peace. He is currently a non-executive director of Luk Fook Holdings (International) Limited\* (stock code: 590) and the chairman and chief executive officer of Luk Fook Financial Services Limited. He also serves as an independent non-executive director of China South City Holdings Limited\* (stock code: 1668) (the powers ceased upon making of the Hong Kong Winding-Up Order on 11 August 2025), Gemdale Properties and Investment Corporation Limited\* (stock code: 535), FSE Lifestyle Services Limited\* (stock code: 331) and Lifestyle International Holdings Limited (formerly stock code: 1212) (the shares of which were delisted from Hong Kong Stock Exchange in December 2022). He retired as an independent non-executive director of HK Acquisition Corporation\* (formerly stock code: 7841) (the shares of which were delisted from Hong Kong Stock Exchange in October 2024) in October 2024 and SINOPEC Engineering (Group) Co., Ltd.^ 中石化煉化工程(集團)股份有限公司\* (stock code: 2386) in November 2024.

**Dr. PENG Shuolong (彭說龍)**, aged 63, has been an INED since 26 June 2023. He is also the chairperson of the remuneration committee, a member of the nomination committee, the audit committee and the risk management committee of the Board. He received a Master degree in Education from Beijing Institute of Physical Education in June 1991, and a doctorate degree in Management from South China University of Technology in January 2007. In addition, Dr. Peng obtained the qualification certificate for independent director of listed companies issued by The Shenzhen Stock Exchange in July 2018. Dr. Peng has more than 24 years of management experience. From December 2004 to July 2017, he served as a standing member of the Party Committee and vice president of South China University of Technology. From February 2014 to February 2016, he served as the deputy mayor of Liupanshui City, Guizhou Province. From December 2013 to December 2015, he served as a standing member of the Municipal Committee of Liupanshui City, Guizhou Province. From August 1999 to February 2004, he served as the general manager of the Services Group of South China University of Technology. Dr. Peng is also an independent director of Guangzhou Zhiguang Electric Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002169). He retired as an independent director of Guangzhou Shangpin Home Furnishing Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300616) in August 2024.

\* Listed on Hong Kong Stock Exchange

# SENIOR MANAGEMENT'S PROFILE

**Mr. PAN Zhiyong (潘智勇)**, aged 56, is the senior vice president of the Company. Mr. Pan joined the Group in 2017. He is currently mainly responsible for the management of financial and information technology center of the Company. Before joining the Group, Mr. Pan had held various positions in Agricultural Bank of China Limited (“ABC”), Guangdong branch including the general manager of Marketing Department, Institutional Banking Division and Corporate Banking Department, assistant president and vice president. He had been the president of ABC, Zhaoqing branch. Mr. Pan holds a Bachelor degree in Economics from Jinan University, a Master’s degree in Business Administration and a Doctoral degree in Management from South China University of Technology. Mr. Pan also has a senior economist qualification. He was awarded the “Ten Outstanding Young Persons of ABC Guangdong Branch (中國農業銀行廣東省分行十大傑出青年)” in 2009, “Model Worker of Zhaoqing (肇慶市勞動模範)” in 2010, “Senior Financial Management Talent of Guangzhou (廣州市金融高級管理人才)” in 2015, “China’s Top 10 Financial Management Innovation Leaders in 2019 (2019年度中國十大財務管理創新領軍人才)” and “Industrial Development and Innovative Talents of Guangzhou in 2019 (2019年度廣州市產業發展和創新人才)”. He is the deputy secretary of Guangdong Venture Capital and Private Equity Association (廣東省創業投資協會), executive director of China Mergers & Acquisitions Association (中國併購公會) and co-president of Zhongguancun Private Equity & Venture Capital Association (中關村股權投資協會).

**Mr. LIU Tongpeng (劉同朋)**, aged 55, is the senior vice president of the Company and the chairman and president of the property business of the Group. Mr. Liu is also a director of certain subsidiaries of the Company. Mr. Liu joined the Group in November 2018. He is currently mainly responsible for the management of Operation Centre, Investment Centre, Direct Sales Centre, Cost Procurement Centre, Human Resources and Administration Centre, Engineering Centre, Design Centre and Legal Centre of the Company, and the property business of the Group and is in charge of South China and North China property business. Prior to joining the Group, Mr. Liu held different positions in Industrial and Commercial Bank of China, including vice president and president of Zhongshan Branch and vice president of Guangdong Branch. Mr. Liu holds a Bachelor degree of Economics degree from Hunan Finance and Economics University and a Master degree of Business Administration of China Europe International Business School. He is a senior economist. He was awarded the “China’s Real Estate Development Leader (中國地產開發領軍人物)” and “China’s Top 10 Real Estate CEOs in 2021 (2021年中國十大地產年度CEO)” in 2021.

**Mr. WANG Haiyang (王海洋)**, aged 55, is the senior vice president of the Company, and chairman and co-chairman of A-Living Group of the Group. Mr. Wang is also a director of certain subsidiaries of the Company. Mr. Wang joined the Group in July 2011. He is currently mainly responsible for the management of audit centre of the Company. He was the general manager of China Machinery TDI International Engineering Co., Ltd., Zhongshan branch office (中機十院國際工程有限公司中山分公司). Mr. Wang holds a Bachelor’s degree in Construction Engineering from Xi’an University of Technology. He obtained PRC Class 1 Registered Structural Engineer qualification. He was awarded the “The 6th Model of Honesty and Faithfulness of Hainan Province (第六屆海南省誠實守信道德模範)” and was elected as one of the “Top 10 Real Estate CEOs of the Year in China (中國十大地產年度CEO)” for three consecutive years from 2018–2020. He is the member of the 9th council of China Real Estate Association (中國房地產協會). He was ever the vice chairperson of Guangdong Province Real Estate Association (廣東省房地產協會), executive vice chairperson of Guangdong Commercial Real Estate Investment Association (廣東省商業地產投資協會).

## SENIOR MANAGEMENT'S PROFILE (CONTINUED)

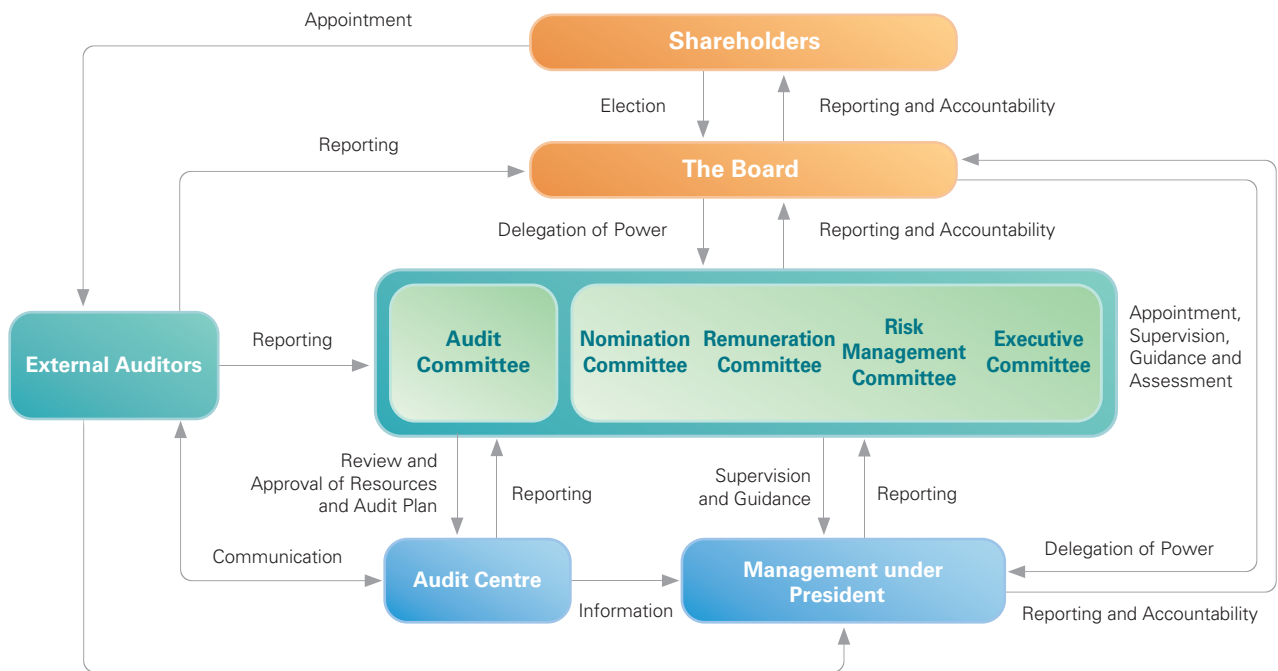
**Mr. CHEUNG Chung Leuk (張中略)**, aged 43, is the vice president and general manager of the sales and marketing centre of the Company, the vice president of property business and co-chairman of environmental protection business of the Group. Mr. Cheung joined the Group in March 2016. He is currently mainly responsible for the management of the sales and marketing centre of the Company, and the property business of the Group and is in charge of Southwest property business. Mr. Cheung has over 20 years of practical experience in large-scale real estate development management and has extensive experience in business operations, market strategy, marketing management, brand strategy, etc. Mr. Cheung holds a Bachelor degree in Management from Jinan University (暨南大學). He is the chairman of Brand Development Committee and executive vice president of Guangzhou Real Estate Trade Association (廣州市房地產行業協會) and Guangzhou Institute of Real Estate (廣州市房地產學會), and an Instructor of Advanced Studies Seminar in Real Estate of Guangzhou Real Estate Trade Association (廣州市房地產行業協會).

**Mr. YU Jifu (于吉福)**, aged 48, is the vice president and general manager of the legal centre of the Company and the vice president of property business and co-chairman of environmental protection business of the Group. Mr. Yu joined the Group in July 2008. He is currently mainly responsible for the management of the legal centre of the Company, and the property business of the Group and is in charge of Hainan property business. Mr. Yu holds an Executive Master of Business Administration (EMBA) from Cheung Kong Graduate School of Business (長江商學院) in China. He is studying a part-time programme of Executive Master of Business Administration — International Stream from The University of Hong Kong since March 2025. He obtained “Excellent Leadership Award” of the Group for the years 2011 and 2013 to 2015, and “Operational Merit Award” of the Group in 2017 and “Top 100 Real Estate Managers in China Award (中國地產100強經理人獎)” in 2018.

**Madam KO Tsz San (高梓榮)**, aged 43, is the Company Secretary and the deputy general manager of Hong Kong Headquarters of the Company. Madam Ko joined the Group in September 2015 and is mainly responsible for company secretarial matters. She is a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She has about 20 years of experience in the company secretarial field and has extensive knowledge and experience in dealing with corporate governance and compliance affairs of listed companies.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE STRUCTURE



“Empathy” stands as the core values of the Company. The Company promotes a caring culture and respects the nature and every person’s needs. The Company strives to promote the development of its business to create and enhance Shareholders’ value and to bring returns to its Shareholders in a sustainable manner. It also strives for creating and delivering long-term value to its employees, customers, investors and the nature in its operation and development. Please refer to the Environmental, Social and Governance Report published by the Company for environmental and social risks and opportunities of the Company.

The Board believes that good governance is essential for achieving the objectives of the Company. As such, with reference to the CG Code, the Board has adopted its own corporate governance policy which provides guidance on how corporate governance principles are applied in the Company, and the Board reviews corporate governance practices from time to time in light of the new regulatory requirements and the needs of the Company. The Company is committed to maintaining a high level of corporate governance and adheres to the principles of integrity, transparency, accountability and independence. This corporate governance report helps Shareholders to understand and evaluate the corporate governance practices of the Company.

The Board plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and preserve long-term sustainable Shareholders’ value by way of, without limitation to, the:

- (a) formulation and review of the Company’s policies and practices on corporate governance;
- (b) review and monitoring of the training and continuous professional development of Directors and senior management;

- (c) review and monitoring of the Company's policies and practices in compliance with legal and regulatory requirements;
- (d) formulation, review and monitoring of the code of conduct and compliance applicable to employees and Directors;
- (e) with the advice and assistance from the audit committee and the risk management committee, review and monitoring of the risk management and internal control systems of the Company to ensure their effectiveness; and
- (f) review of the Company's compliance with the CG Code and disclosure in its interim reports and annual reports.

During the year ended 31 December 2025, the Board:

1. reviewed and monitored the compliance with applicable legal and regulatory requirements;
2. reviewed the compliance with Securities Dealing Code for Directors;
3. reviewed and monitored the training and continuous professional development of Directors and senior management;
4. reviewed the effectiveness of the risk management and internal control systems;
5. reviewed the Company's compliance with the then CG Code and disclosure in the corporate governance report in 2024 annual report; and
6. reviewed and updated the Company's own corporate governance policy and related policies and procedures.

During the year ended 31 December 2025, the Company has fully complied with all code provisions of the then CG Code except for deviations to code provision C.2.1. Please refer to the paragraph headed "Chairman and President" below.

### THE BOARD AND MANAGEMENT

The Board takes Shareholders' interests as its priority and takes into account the interests of other stakeholders in its operation and development. The Board is responsible for formulating the business and management directions of the Group in such a way as to achieve the objectives of the Company. It formulates corporate strategy and long-term business model of the Group and monitors and controls operating and financial performance in pursuit of strategic objectives of the Group.

The management provides sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval. Approval has to be obtained from the Board prior to any significant transactions entered into by the management. The management also provides to all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Board reviews the arrangements from time to time to ensure that the delineation between the Board and the management remains appropriate to the needs of the Company.

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## BOARD COMPOSITION

The Company is headed by the Board which comprises seven Directors, including two executive Directors (namely Mr. Chen Zhuo Lin (Chairman and President) and Madam Yue Yuan), two NEDs (namely Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam) and three INEDs (namely Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen and Dr. Peng Shuolong). The biographical details and relationship amongst them, if any, are set out on pages 37 to 39 of this annual report.

## CHAIRMAN AND PRESIDENT

The corporate governance policy of the Company sets out the roles of the chairman and the president who is also playing the role of chief executive. The Chairman provides leadership for the Board and ensures the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Chairman is also responsible for formulating the overall strategies and policies of the Company and monitoring their implementation. Meanwhile, the President, being the chief executive of the Company, is delegated the authority by the Board to lead other senior management including the vice presidents for the daily operation and business management of the Group in accordance with the objectives, directions, and risk management and internal control policies laid down by the Board.

During the year ended 31 December 2025, the Company has complied with all code provisions of the then CG Code except code provision C.2.1 which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. In the reporting year and until now, Mr. Chen Zhuo Lin is the Chairman and the President. The Board considered that such arrangement will provide strong and consistent leadership for the development of the Group and effective execution of policies and strategies of the Group given Mr. Chen's in-depth knowledge of the operations of the Group and of the industry as well as his extensive and strong business connections. In addition, since the major decisions of the Company, including but not limited to material transactions undertaken by the Group and corporate governance, require discussion and approval by all Board members, the Board believes that the other Board members have sufficient power in scrutinising and/or monitoring the exercise of power by the Chairman and President. Taking into account the corporate governance measures that the Company has implemented, the Board considered that such arrangement will not impair the balance of power and authority of the Board and it will be subject to review from time to time, and hence serves the best interest of the Group.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

INEDs play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decisions. INEDs represent one-third of the Directors and ensure independent views are available in decision making at Board level. They are experienced professionals in areas such as accounting, financial management, securities and investment industries, and management and should serve on the audit, remuneration, nomination and other governance committees, if invited. Their diversified experiences provide valuable views to the Board from different perspective, and thus enhance the decision-making of the Board and promote a sustainable and balanced development of the Group through regular attendance and active participation. In particular, they bring impartial views and opinions on issues of the Company's strategy, performance and control, and take the lead where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of Directors, in particular INEDs, to the Board and ensures constructive relationship among executive Directors, NEDs and INEDs.

During the year, the Company was in compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. INEDs represent at least one-third of the Board and at least one of them possesses relevant professional qualifications or accounting or related financial management expertise.

The Board considers that the representation of INEDs is important to ensure independent views and input are available to the Board and is committed to comply with the requirements of the Listing Rules on appointment of sufficient number of INEDs. It will also review the implementation and effectiveness of such mechanism on an annual basis.

The Board consists of three INEDs, namely, Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen and Dr. Peng Shuolong. Mr. Kwong, Mr. Hui and Dr. Peng were appointed on 27 October 2005, 27 June 2014 and 26 June 2023 respectively.

An annual confirmation of independence was received from each of three INEDs pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Mr. Kwong and Mr. Hui have served the Board for more than nine years. Notwithstanding their length of tenure, in view of their wide spectrum of knowledge, extensive business experience and familiarity with the Company's affairs as well as the independence confirmation of Mr. Kwong and Mr. Hui, the Board is of the opinion that they possess the required character, integrity and experience to ensure their independence in order to objectively scrutinise the Company's performance.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Mr. Chen Zhuo Lin, an executive Director, has entered into a service agreement with the Company, while Madam Yue Yuan, an executive Director, and all NEDs (including INEDs) have entered into appointment letters with the Company setting out the terms and conditions of their appointment. Each Director is appointed for a specific term of 3 years, subject to the provisions on Directors' retirement as set out in the Articles. Any Director appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire by rotation. Every Director shall be subject to retirement at an annual general meeting at least once every three years. The names of Directors who are eligible for re-election at general meetings will be disclosed in the notice of the relevant general meetings and their biographical details will be provided in the accompanying circulars. The re-election of each Director will be subject to vote of Shareholders by separate resolutions.

In accordance with the Articles, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Nam and Mr. Kwong Che Keung, Gordon shall retire and, being eligible, have offered themselves for re-election at the Forthcoming AGM.

Each Director has disclosed to the Company about the names of and the titles and nature of office held in the public companies or organisations prior to the acceptance of the appointment, and promised to inform the Company timely of any relevant change. The Company will also require Directors to submit written confirmation or update on their biographical details, if any, twice a year, and set out the updated biographical details of Directors, if any, in this annual report.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD AND BOARD COMMITTEE MEETINGS

The Board meets four times each year or more as required. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the following year will be presented to all Directors in the last Board meeting in a year such that they can arrange for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The company secretary of the Company ("**Company Secretary**") assists the Chairman in preparing the agenda of regular Board meetings and circulates the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the Company Secretary after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

Each Director shall have access to the senior management including the Company Secretary, and they may also seek independent professional advice at the expense of the Company. Any material matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting, or to be implemented and dealt with by the designated Board committee. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the Company Secretary to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring that the Board procedures and all applicable rules and regulations are observed.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting and will answer any enquiry from the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss the matters.

The meeting minutes of the Board and its committees are drafted and kept by the Company Secretary. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The Company Secretary will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after the meetings are held.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year, the Board held a total of eight Board meetings. Each Director's attendance record for the Board meetings, Board committee meetings and general meeting(s) is set out as follows:

	Number of attendance/meeting held in 2025						
	The Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk	Executive Committee	General Meeting
					Management Committee		
Mr. Chen Zhuo Lin ( <i>Chairman and President</i> )*	8/8	-	-	-	-	1/1	1/1
Madam Yue Yuan**	8/8	-	1/1	1/1	2/2	1/1	1/1
Mr. Huang Fengchao***	6/6	-	-	-	2/2	-	1/1
Mr. Chan Cheuk Hung****	5/8	-	-	-	0/1	-	0/1
Mr. Chan Cheuk Hei	7/8	-	-	-	-	-	0/1
Mr. Chan Cheuk Nam	7/8	-	-	-	-	-	0/1
Mr. Kwong Che Keung, Gordon	8/8	4/4	1/1	1/1	-	-	1/1
Mr. Hui Chiu Chung, Stephen*****	8/8	4/4	1/1	1/1	0/0	-	1/1
Dr. Peng Shuolong	8/8	4/4	1/1	1/1	2/2	-	1/1

Notes:

- \* He was appointed as the chairperson of the Company's executive committee (the "**Executive Committee**") on 5 December 2025.
- \*\* She was appointed as the chairperson of the Company's risk management committee (the "**Risk Management Committee**") on 17 January 2025, and a member of the Executive Committee on 5 December 2025.
- \*\*\* He ceased as the chairperson of the Risk Management Committee on 17 January 2025 but remains as a member. Later, he resigned as an executive Director and ceased as a member of the Risk Management Committee on 19 September 2025. 6 Board meetings were held during the period of his appointment.
- \*\*\*\* He was re-designated as a non-executive Director and ceased as a member of the Risk Management Committee on 11 July 2025. 1 Risk Management Committee meeting was held before his cessation.
- \*\*\*\*\* He was appointed as a member of the Risk Management Committee on 19 September 2025. No Risk Management Committee meeting was held after his appointment.

All Directors allocated a reasonable amount of time to follow up and deal with various affairs of the Company during the year. They made their best effort to attend meetings of the Board and its committees. They also allocated reasonable time in reviewing meeting materials, financial and operational statements as well as other documents provided by the Company from time to time. Furthermore, each member of the audit committee of the Company (the "**Audit Committee**") also spent sufficient time on reviewing internal audit reports provided by the Audit Centre of the Company during the year.

The code provision C.2.7 of the then CG Code stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year, the Chairman met once with the INEDs without the other Directors present. The meeting was held on 5 December 2025.

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## TRAINING AND SUPPORT FOR DIRECTORS

The Company has established procedures for training and development of Directors. Newly appointed Director will be provided with comprehensive, formal and tailored induction upon his/her appointment. Regular briefing and professional development will also be provided to the Directors to enhance their understanding on the business and operation of the Group and to increase their awareness of their responsibilities and obligations under the statutory and common laws, the Listing Rules, laws and other regulatory requirement and governance policies, so as to enable the Directors to discharge their duties properly. The Company Secretary maintains proper records of training attended by the Directors.

The summary of training received by the Directors during the year is as follows:

Directors	Training Matters (Note)
<i>Executive Directors</i>	
Mr. Chen Zhuo Lin ( <i>Chairman and President</i> )	A, B, C, D, E, F
Madam Yue Yuan	A, B, C, D, E, F
Mr. Huang Fengchao (resigned as an executive Director on 19 September 2025)	C, D
<i>NEDs</i>	
Mr. Chan Cheuk Hung (re-designated as a NED on 11 July 2025 and resigned on 1 April 2026)	A, B, C, D, E, F
Mr. Chan Cheuk Hei	A, B, C, D, E, F
Mr. Chan Cheuk Nam	A, B, C, D, E, F
<i>INEDs</i>	
Mr. Kwong Che Keung, Gordon	A, B, C, D, E, F
Mr. Hui Chiu Chung, Stephen	A, B, C, D, E, F
Dr. Peng Shuolong	A, B, C, D, E, F
Note:	
A.	directors' duties
B.	roles, functions and responsibilities of board
C.	regulatory and ESG matter
D.	corporate governance
E.	risk management and internal controls
F.	industry development and business trends

## Board Diversity Policy

The Board recognizes the importance of board diversity in promoting the development of the Company. The Company adopted its own board diversity policy (the "**Board Diversity Policy**") on 15 August 2013 and updated on 5 December 2025. In making appointments of directors to the Board, a number of factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and differences in other qualities at the Board are taken into account with an aim to make the Board more diverse. The decision will be made on merits in accordance with the nomination policy of the Company with due consideration of the Board Diversity Policy.

The nomination committee of the Company (the "**Nomination Committee**") reviews the diversity structure, size and composition of the Board at least annually.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

An analysis of the current Board composition is set out in the following chart:

	Gender	Designation	Age Group	Skill/industry experience	Length of service
8	Female	INEDs	71 or above	Securities and investment	More than 10 years
7	Male			Accounting	
6		NEDs	Property Development, construction, management and property management		
5				61–70	
4					
3		Executive Directors	50–60		
2				1–3 years	
1					

The Board recognizes the benefits of gender diversity. It had female representation from 2005 until Madam Luk Sin Fong, Fion resigned as non-executive Director on 22 December 2023. Following the resignation of Madam Luk as a non-executive director of the Company with effect from 22 December 2023 as announced by the Company in the announcements published on 27 February 2024, 21 March 2024, 21 June 2024 and 20 September 2024 respectively, the Company had a single gender board which did not meet the requirement under Rule 13.92 of the Listing Rules. As announced by the Company on 18 December 2024, with the appointment of Madam Yue Yuan as a Director, the Company has re-complied with Rule 13.92 of the Listing Rules.

In making the appointment of a director to the Board, a number of factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge will be taken into account with an aim to make the Board more diverse, and the decision will be made based on merits in accordance with the nomination policy of the Company.

Gender is not the only factor to be taken into account in considering appointment to the Board. Appointment is made on merits after considering a number of factors including the educational background, professional experience, skills and knowledge of the candidate. Hence, the Board does not set any particular targets on the number of female representation at the Board. The Board and the nomination committee will closely monitor and review from time to time the composition of the Board and will take into account the board diversity policy including gender diversity in considering appointment to the Board with an aim to maintaining female representation at the Board.

Having reviewed the structure and composition of the Board, the Board considers that it is diversified in terms of age group, professional experience, skills, knowledge and length of service of its members. The Board has a balanced composition of executive Directors, NEDs and INEDs. INEDs represent one-third of the Directors and ensure independent views are available in decision making at the Board. The nomination committee reviews and monitors the implementation of the Board Diversity Policy annually and from time to time to ensure its effectiveness. The Board will set measurable objectives for achieving Board diversity as appropriate.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

As at 31 December 2025, gender ratio is approximately 27 (male): 23 (female) in workforce of the Group and 5 (male): 1 (female) in senior management (other than Directors) of the Company. The Company has not set any objectives for gender ratio in workforce or in senior management. Appointment is primarily made on merits of the candidate after considering a number of factors including the educational background, professional experience, skills and knowledge of the candidate. Further, as the Group's business is mainly based in the PRC and most of its employees are in the PRC where gender imbalance is serious with more male than female, the Company believes setting a particular target of gender ratio for its workforce will hinder its flexibility in recruitment.

### WORKFORCE DIVERSITY POLICY

The Company adopted a workforce diversity policy (the "**Workforce Diversity Policy**") on 30 December 2025.

The Workforce Diversity Policy establishes a commitment to creating a diverse and inclusive workplace where every individual is valued and respected. This policy aims to enhance recruitment, support retention, and drive innovation and growth by capitalizing on a variety of perspectives. Its key components include non-discriminatory practices, inclusive environment, training and development, regular assessment. By promoting a diverse working environment, the Company seeks not only to enhance its business operations but also to create a space where all employees can thrive and contribute to the Company's success.

### DIRECTORS AND SENIOR MANAGEMENT LIABILITY INSURANCE

The Company has arranged appropriate insurance covering the potential legal actions against its Directors and senior management in connection with the discharge of their responsibilities.

### BOARD COMMITTEES

The Company has established 5 Board committees, namely remuneration committee, nomination committee, audit committee, Risk Management Committee and Executive Committee. Terms of reference of each of the committees are available on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)) and Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)), and will be amended by the Board from time to time, where appropriate.

### REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") has been established since November 2005 and currently comprises 3 INEDs and an executive Director. The members of the Remuneration Committee include Dr. Peng Shuolong (as chairperson), Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen and Madam Yue Yuan.

The major duties of the Remuneration Committee are (i) to make recommendations to the Board on the remuneration packages of individual Directors (including executive Directors and NEDs) and senior management of the Group, (ii) to formulate the policies and structure for remuneration of Directors and senior management of the Group and (iii) to establish a formal and transparent procedure for developing remuneration policy. Remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment. In determining remuneration of Directors and senior management of the Group, the Board will consider the remuneration level of comparable companies, the time commitment and responsibilities and employment conditions elsewhere in the Group, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration. The Remuneration Committee, if necessary, may seek independent professional advice when discharging its duties at the fees and expenses of the Company.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year, the Remuneration Committee held a meeting in which they:

- evaluated the performance of executive Directors for 2024;
- discussed the recommendation on the remuneration adjustments of senior management for 2025;
- confirmed the remuneration of executive Directors, NEDs and INEDs for 2024;
- discussed and made recommendation on the remuneration adjustment of executive Directors, NEDs and INEDs for 2025; and
- reviewed the terms of the service contract/appointment letter entered into with the Directors re-elected at the Last AGM.

Details of the five highest paid individuals are set out in note 10 to the consolidated financial statements.

The remuneration paid to the members of senior management (other than Directors) by bands for the year ended 31 December 2025 is set out below:

<b>Remuneration bands (RMB)</b>	<b>Number of senior management members</b>
≤1,000,000	4
1,000,001–2,000,000	2

### NOMINATION COMMITTEE

The Nomination Committee has been established since December 2006 and currently comprises 3 INEDs and an executive Director. The members of the Nomination Committee include Mr. Hui Chiu Chung, Stephen (as chairperson), Mr. Kwong Che Keung, Gordon, Dr. Peng Shuolong and Madam Yue Yuan.

The major duties of the Nomination Committee are (i) to determine policy for the nomination of Directors, (ii) to give advice to the Board on the appointment or re-appointment and succession plan of Directors (particularly the Chairman and executive Directors), (iii) to review the Board Diversity Policy, the structure, number of members and composition (including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board, (iv) to assess the independence of INEDs, (v) to review and assess regularly the time commitment and contribution to the Board by each Director as well as the Director's ability to discharge his or her responsibilities; (vi) to support the Company's regular evaluation of the performance of the Board; and (vii) to review the disclosures on director independence, the policy for the nomination of directors performed by the Nomination Committee during the year and a summary of the Board Diversity Policy in corporate governance report.

The Nomination Committee is responsible for the development of selection procedures for candidates, and will consider different criteria (including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service). The Nomination Committee, if necessary, may seek independent professional advice when discharging its duties at the fees and expense of the Company.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year, the Nomination Committee held a meeting in which they:

- considered the contribution to the Group by the retiring Directors, and advised the Board on the re-election of such retiring Directors at Last AGM;
- assessed the independence of the INEDs;
- considered and reviewed the diversity structure, number of members and composition of the Board; and
- reviewed the corporate governance report in 2024 annual report including but not limited to disclosures on independence of directors and Board Diversity Policy.

### NOMINATION POLICY

The Board has adopted a nomination policy (the “**Nomination Policy**”) on 7 December 2018 and updated it on 5 December 2025.

#### 1. Purpose

One of the main responsibilities of the Nomination Committee is to identify individuals suitably qualified to become directors and select or make recommendations to the Board on the selection of individuals nominated for directorships.

The Nomination Policy is aimed to set out the criteria and procedures to be adopted when making recommendations to the Board on the appointment or re-appointment of Directors and succession plan for Directors.

#### 2. Nomination Criteria

When considering a candidate nominated for directorship or a Director’s re-appointment, the Nomination Committee shall have regard to the following factors:

- 2.1 Diversity of the Board, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service of the candidate, and ensure that the board members are not all of a single gender;
- 2.2 Time commitment of the candidate. In this regard, the number and nature of offices held by the candidate in public companies or organisations, and other executive appointments or significant commitments will be considered;
- 2.3 Potential/actual conflicts of interest that may arise if the candidate is selected;
- 2.4 In the case of a proposed appointment of an INED, the independence of the candidate;
- 2.5 In the case of a proposed re-appointment of an INED, the number of years he/she has already served the Company; and
- 2.6 Other factors considered to be relevant by the Nomination Committee on a case by case basis.

### 3. Nomination procedure

Subject to the provisions in the Articles, if the Board recognises the need to appoint additional Director(s), the following procedures should be adopted:

- 3.1 The Nomination Committee identifies or selects candidate(s) recommended to the Nomination Committee, with or without assistance from external agencies or the Company, pursuant to the criteria set out in the Nomination Policy;
- 3.2 The Nomination Committee may use any process it deems appropriate to evaluate the candidate(s), which may include personal interviews, background checks, presentations or written submissions by the candidate(s) and third party references;
- 3.3 The Nomination Committee provides to the Board with all the information required in relation to the candidate(s), including information set out in Rule 13.51(2) of the Listing Rules;
- 3.4 The Nomination Committee makes recommendation to the Board including the terms of appointment and conditions of the appointment;
- 3.5 The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee;
- 3.6 All appointments of Directors shall be confirmed by a letter of appointment. The letter of appointment shall be approved by the Nomination Committee and set out the key terms and conditions of the appointment of the Directors;
- 3.7 Pursuant to Rule 13.74 of the Listing Rules, where Shareholders are required to vote on the election or re-election of directors, the circular accompanying the notice of the relevant general meeting should contain all the information of the candidate(s) required under Rule 13.51(2) of the Listing Rules; and
- 3.8 In the case of the re-appointment of existing directors, matters relating to the re-appointment shall be considered in accordance with the criteria set out in the Nomination Policy.

### AUDIT COMMITTEE

The Audit Committee has been established since November 2005 and currently comprises 3 INEDs. The members of the Audit Committee include Mr. Kwong Che Keung, Gordon (as chairperson), Mr. Hui Chiu Chung, Stephen and Dr. Peng Shulong.

The major duties of the audit committee are (i) to review accounting policy, (ii) to monitor the performance of the Company's external auditor and Audit Centre, (iii) to review financial information and the method and effectiveness of the financial reporting of the Company so as to ensure the compliance with the applicable accounting and reporting regulations and the requirements of laws and provisions, (iv) to supervise the financial reporting system and risk management and internal control policies, (v) to consider and review the resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and (vi) to report the results to the Board. The Audit Committee, if necessary, may seek independent professional advice when discharging its duties at the fees and expenses of Company.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year, the Audit Committee held 4 meetings in which they:

- reviewed annual results of 2024 and 2024 annual report, interim results of 2025 and 2025 interim report;
- reviewed audit plan of the external auditor;
- discussed and reviewed the effectiveness of internal control system and the measures and countermeasures on internal control and risk management systems;
- discussed and reviewed risk management and internal control management reports, audit monitoring plans and audit timetables;
- reviewed the independence of external auditor and its re-appointment;
- reviewed the resources of accounting, financial reporting and internal audit functions of the Group;
- reviewed the effectiveness of the Company's processes for financial reporting;
- reviewed the effectiveness of the Company's internal audit function;
- reviewed staff malpractices monitoring reports;
- met with the external auditor without the presence of the management of the Company; and
- considered the change in external auditor.

The Audit Committee meets with the external auditor, at least once annually, in the absence of the management of the Company, to discuss matters relating to its audit fees, issue arising from the audit and other matters the external auditor may wish to raise.

### External Auditor

As disclosed in the Company's announcements dated 22 May 2025 and 12 June 2025, Ernst & Young retired as external auditor of the Company on the Last AGM and Prism Hong Kong Limited ("Prism") was appointed as external auditor of the Company with effect from the conclusion of the Last AGM and until the conclusion of the Forthcoming AGM.

For the year ended 31 December 2025, the remuneration paid/payable to the auditors of the Group for audit and non-audit services are as follows:

	2025 RMB'000	2024 RMB'000
Auditors' remuneration		
Audit services	7,743	12,530
Non-audit services:		
– Other permitted services	1,100	–
	8,843	12,530

## Responsibility in financial statements

Directors acknowledged their responsibilities for preparing the accounts in this annual report, and Prism, the external auditor of the Company, acknowledged their reporting responsibility in the auditor's report of financial statements.

During the year, the Company published its annual results for the year ended 31 December 2024 and interim results for six months ended 30 June 2025 in compliance with the Listing Rules. The Company did not publish any quarterly results as suggested by the recommended best practice D.1.5 of the then CG Code for the reasons that the publication of quarterly results is not mandatory for the Company as a Main Board listed issuer and that preparation of quarterly reports is costly and does not bring significant benefits to the Shareholders.

## Material uncertainties relating to going concern

During the year ended 31 December 2025, the Group recorded a net loss of RMB21,982,573,000. As at 31 December 2025, the Group had cash and bank balances (including restricted cash) of RMB5,579,191,000 and short-term borrowings of RMB38,734,277,000. As at 31 December 2025, the Group was in default of borrowings (the "**Defaulted Borrowings**") with a principal amount totalling RMB29,421,450,000 and interest totalling RMB1,304,601,000 because of non-payment at their respective due dates. Such default event also triggered cross-defaults of certain bank and other borrowings with an aggregate amount of RMB3,765,951,000 (the "**Cross Defaulted Borrowings**").

In addition, a winding-up petition (the "**Petition**") was filed by a company at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Company on 9 December 2025 in relation to certain alleged outstanding payment in the aggregate amount of US\$18,587,000 (equivalent to RMB130,644,000) and RMB2,347,000 respectively, arising from the arbitral award dated 25 September 2025 rendered by a China International Economic and Trade Arbitration Commission arbitral tribunal. At the hearing of the High Court on 2 March 2026, the High Court ordered the hearing of the Petition to be adjourned to 29 June 2026.

The above conditions indicate the existence of material uncertainties which cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern.

The Directors have undertaken plans and measures to improve the Group's liquidity and financial position, details of which are set out in note 2.1 to the consolidated financial statements. Notwithstanding the above, significant uncertainties exist as to whether the Group is able to implement its plans and measures as described in the sub-paragraph headed "Action plans to address material uncertainties" below. Whether the Group will be able to continue as a going concern would depend upon its ability to generate adequate cash flow through the following:

- (i) successfully obtaining continuing support from existing lenders for the Defaulted Borrowings and Cross Defaulted Borrowings to resolutely oppose the Petition and avoid the Petition being confirmed by High Court, which may otherwise result in liquidation.
- (ii) successful and timely completion of the restructuring of the Group's Defaulted Borrowings and the Group's ability to continue complying with the terms and conditions in the respective draft loan restructuring agreements.
- (iii) successful negotiation with the Group's existing lenders for the Defaulted Borrowings and Cross Defaulted Borrowings and reaching agreements with them for not taking any actions against the Group to exercise their right to demand immediate payment of the principals and interest of these borrowings.
- (iv) successful negotiation with the lenders for the renewal or extension for repayment of the Group's bank and other borrowings.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- (v) the Group's ability to accelerate the sales of properties by carrying out the Group's business strategy plan and to accelerate the collection of outstanding sales proceeds.
- (vi) successful and timely implementation of the plans to dispose of certain of its other assets, such as lands, equity interests in project development companies and timely collection of the proceeds.

### Action plans to address material uncertainties

In view of such circumstances, as set out in note 2.1 to the consolidated financial statements, the directors of the Company have been undertaken a number of plans and measures to improve the Group's liquidity and financial position, to restructure the existing borrowings and to oppose the Petition, including:

- (i) seeking legal advice from a legal adviser with a view to resolutely opposing the Petition and preventing it from being confirmed by the High Court, which may otherwise result in liquidation. The High Court has made an order on 2 March 2026 adjourning the hearing of the Petition to 29 June 2026;
- (ii) progressing the Group's restructuring of offshore borrowings, which involves reviewing its offshore debt profile, categorizing its offshore indebtedness, formulating a restructuring plan and engaging external financial and legal advisors to facilitate conversations with creditors of various classes to advance the restructuring process;
- (iii) negotiating with financial institutions on the refinancing of existing borrowings, the extension of maturity of borrowings, as well as new debt financing and bank borrowings at costs acceptable to the Group to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (iv) deploying measures to accelerate the pre-sale of properties and to speed up the collection of sales proceeds, which include a system to enable real-time monitoring and follow-up on high-risk receivables, an incentive scheme for receivables recovery to encourage employees to pursue and recover proceeds, weekly reviews of outstanding receivables, and ongoing negotiations to recover outstanding receivables;
- (v) adopting measures to actively control administrative costs and maintain containment of capital expenditures, including salary reductions; and
- (vi) actively seeking opportunities to dispose of non-core properties and businesses to generate cash flow, including through potential collaboration with local governments on commercial housing unit buy-back programs.

The Board and the Audit Committee consider that the above action plans, and, in particular, the implementation of a holistic solution with regards to the Group's offshore debts, is appropriate and effective in mitigating the liquidity issue of the Group.

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been established since August 2016 and currently comprises an executive Directors and 2 INEDs. The members of the Risk Management Committee include Madam Yue Yuan (as chairperson) (appointed as chairperson on 17 January 2025), Mr. Hui Chiu Chung, Stephen (appointed as member on 19 September 2025), Dr. Peng Shuolong, Mr. Chan Cheuk Hung (ceased as member on 11 July 2025) and Mr. Huang Fengchao (ceased as chairperson on 17 January 2025 and ceased as member on 19 September 2025).

The major duties of the Risk Management Committee are (i) to consider and formulate risk management framework, (ii) to review and assess the effectiveness of the Group's risk management framework, and (iii) to monitor and ensure the effective implementation of relevant risk management measures. The Risk Management Committee, if necessary, may seek independent professional advice when discharging their duties at the fees and expenses of the Company.

During the year, the Risk Management Committee held 2 meetings to review and discuss the following items:

- the Group’s risk management work reports for 2024 and first half of 2025;
- the updates on the major risks and core risk indicators of the Company and the Group’s business segments in 2025;
- the resources for ESG performance and reporting functions of the Group;
- the effectiveness of risk management system;
- the risk management work plan for 2025;
- the Environmental, Social and Governance Report 2024; and
- report of a sustainable development steering group on ESG risk management work.

### EXECUTIVE COMMITTEE

The Executive Committee was established in December 2025 and currently comprises two executive Directors, including Mr. Chen Zhuo Lin (as chairperson) and Madam Yue Yuan.

The major duties of the Executive Committee are (i) to approve the establishment or dissolution of subsidiaries or associates or joint ventures<sup>1</sup> and oversee the operations of subsidiaries, (ii) to approve transactions of the Group<sup>2</sup>, (iii) to determine and handle appropriate financing and related activities with banks and the corresponding provision of financial assistance to subsidiaries or associates (if any) or joint ventures (if any) or third parties<sup>2</sup>, (iv) to review all investments and major capital expenditures proposed by subsidiaries, and to assess their significance in terms of nature or cost (from a holding company perspective)<sup>2</sup>, (v) to plan, approve and execute acquisitions or disposals, and to approve major proposals or tenders, (vi) to direct and execute opportunities for developing new businesses beyond existing business<sup>2</sup>, (vii) to oversee the formulation, revision, and implementation of the Company’s strategies and the execution of the Company’s business plans and business operations, (viii) to approve land swaps, land disposal and withdrawal, and land use change adjustment plan<sup>2</sup>, and (ix) to approve the withdrawal from businesses and investment projects<sup>2</sup>. The Executive Committee, if necessary, may seek independent professional advice when discharging their duties at the fees and expenses of Company.

Notes:

1. excluding any transaction or matter that is required to be approved by the Board and/or the independent board committee under applicable laws and regulations or the Listing Rules.
2. excluding any transaction or matter that is subject to announcement and/or shareholders’ approval under applicable laws and regulations or the Listing Rules.

During the year, the Executive Committee held one meeting in December in which they considered the extension of maturity of a loan.

# CORPORATE GOVERNANCE REPORT (CONTINUED)

## RISK MANAGEMENT AND INTERNAL CONTROL

The Group considers that effective risk management is important to the Group's sustainable development and long-term business success.

### Responsibilities of the Board and the management

The Board recognises its responsibilities to evaluate and determine the nature and level of risks to be taken in achieving the Group's strategic objectives, to ensure that the Group establishes and maintains effective risk management and internal control systems, and to oversee management in the design, implementation and monitoring of the risk management and internal control systems. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business activities and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for designing, implementing and monitoring the risk management and internal control systems, and for providing the Board with the recognition of the effectiveness of risk management and internal control systems.

## RISK MANAGEMENT

### The design, implementation and maintenance of the risk management system

- 1) **Establishing the risk management committee:** The Board has established the Risk Management Committee to oversee the design, implementation and maintenance of the risk management system of the Group and has issued the "Term of Reference for the Risk Management Committee":
  - Authorising the Risk Management Committee and defining its duties: the Risk Management Committee's duties regarding risk management and its authorisation have been recognised in the "Term of Reference for the Risk Management Committee";
  - Determining the organisation of the Risk Management Committee: providing the composition and quorum, requirements of the attendance at meetings, frequency of meetings and the manner of meetings; and
  - Determining the procedure of reporting to the Board: providing the procedure of reporting to the Board by the Risk Management Committee, including the minutes mechanism.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

2) **Establishing the structure of the risk management organisation:** It has built up the official risk management organisation structure from the level of the Group to its three business segments (see figure 1 below: risk management organisation chart), and confirmed the direct management obligation and the risk information reporting procedure and frequency of risk management, and clarified the responsibilities of risk management positions, including integrating the requirement of risk management into the function and description of each position. The main features of the risk management organisation structure comprised:

- Clear levels and responsibilities: the levels of risk management organisation included the Board and the Risk Management Committee at the decision-making level, with the composition of leading level and implementation level and carrying out the division of the duties of risk management. It has confirmed the direct management obligation and the risk information reporting procedure of risk management;
- The wide span of level: the structure of risk management organisation is from the senior management of the Group to its managements of each business segment; and
- Specific communication mechanism: it has confirmed that the managements of each level communicate with each other with regard to the responsibilities, reporting routine and reporting frequency of the risk management.



(Figure 1: Risk management organisation chart)

\* This business is being operated by A-Living, which is accounted as a subsidiary of the Company. The Company had a long positional approximately 45.32% in A-Living and a short position of approximately 6.88% in A-Living as at 31 December 2025.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The roles have been played by each level in the risk management structure as shown below.

### The Roles in the Risk Management Structure

### Major Responsibilities

The Roles in the Risk Management Structure	Major Responsibilities
The Board (decision-making level)	<ul style="list-style-type: none"> <li>To evaluate and determine the acceptability of the nature and extent of the risks in achieving the strategic objectives</li> <li>To ensure that the effective risk management and internal control systems are established and maintained</li> <li>To oversee senior management in the design, implementation and monitoring of the risk management and internal control systems</li> </ul>
Risk Management Committee (decision-making level)	<ul style="list-style-type: none"> <li>To review and formulate the framework of risk management</li> <li>To review and assess the effectiveness of the framework of the Group's risk management on a regular basis</li> <li>To coordinate and assist the senior management to promote risk management work</li> <li>To oversee each business segment for setting up and implement risk response programme and risk treatment measures</li> <li>To report any material risk management matters and recommend solutions to the Board</li> <li>To monitor the frequency of major control failures or weak points, resulting in the extent of unforeseen consequences or emergencies which have caused, may have caused or will cause material impact on the financial performance or condition of the Company</li> </ul>
Sustainable Development Steering Group (decision-making level)	<ul style="list-style-type: none"> <li>To formulate the Company's ESG vision and strategy, monitor and review the Company's ESG policies and practices, and provide guidance on the Company's ESG management efforts</li> <li>To oversee the implementation of the Company's ESG management policies and practices, review and assess the adequacy and effectiveness of the ESG management structure, and make recommendations to improve the structure and scope of responsibilities</li> <li>To supervise the formulation of ESG management objectives (e.g. environmental and safety management objectives) for each business segment of the Company in accordance with its operations, review the reasonableness of the objectives on a regular basis, and monitor the achievement of the objectives on an ongoing basis</li> <li>To review ESG disclosure regulations and regulatory requirements, assess the current state of management of ESG indicators, and review and publish the Company's annual Environmental, Social and Governance report</li> <li>To evaluate the Company's ESG performance, including external stakeholder (e.g. investor) ratings of the Company's ESG efforts, the Company's ESG ratings in the capital markets, and the feasibility of inclusion in relevant ESG indicators</li> </ul>

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### The Roles in the Risk

#### Management Structure

#### Major Responsibilities

The senior management of the Group and the head of each business segment (leading level)	<ul style="list-style-type: none"> <li>To make risk assessment from the Group's holistic perspective and each business segment, in order to formulate risk management measures</li> <li>To design, implement and monitor the risk management system</li> <li>To confirm the effectiveness of risk management system to the Board</li> </ul>
The Group and its management of the business segments (implementation level)	<ul style="list-style-type: none"> <li>To formulate and implement the relevant risk response programme of their business segment</li> <li>To promote and implement specific risk management measures</li> <li>To control different risks of their business and adjust risk management measures in time</li> </ul>
Risk management coordination position	<ul style="list-style-type: none"> <li>To coordinate the commencement of risk recognition and assessment</li> <li>To prepare periodic risk assessment report and propose the risk management leading level</li> <li>To organise and coordinate risk management training and guidance</li> </ul>
Audit Centre	<ul style="list-style-type: none"> <li>To be responsible for overseeing and evaluating risk management works done by the Group and its business segments for the risk management monitoring organisation</li> </ul>

### 3) **Establishing the risk management system structure:** comprising the following main elements and features:

- Comprehensive framework of risk management: the mode of risk management framework has been established as the risk management system foundation (see figure 2 below for details: the mode of risk management) including the main elements such as risk management strategies, risk management process and risk management basic structure;
- Clear risk management procedure: the risk management procedure includes the procedure such as recognition, analysis, response, control and combining and reporting, which form a closed loop to control and manage the risks continuously; and

# CORPORATE GOVERNANCE REPORT (CONTINUED)

- Appropriate standard of risk assessment for the Group: under the industry nature and operation features, strategic objectives of the Group as well as the risk preference of senior management, it sets up the applicable dimension and standard of risk assessment to each business segment. By using assessment method and assessment standard from mutual confirmation, it makes assessment to the risks which are most likely to affect the achievement of corporate objectives in order to obtain the risk assessment result which is actually fitted with corporation.



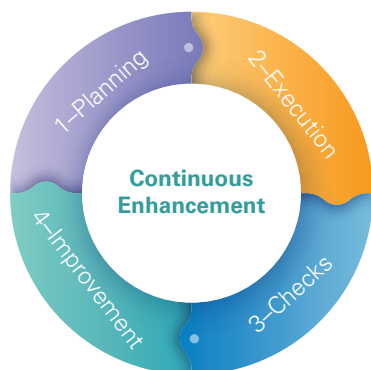
(Figure 2: The model of risk management)

Through the above efforts, the Group has clarified direct management obligation and risk information reporting procedure and frequency of risk management, and established an official risk management framework which recognises, analyses, evaluates and determines procedure of corporate risks to integrate with and control risks systematically.

## Risk Assessment for each Business Segment of the Group in 2025

Based on risk management system of the Group as mentioned above, the senior management, with the assistance from the internal risk management team, sustained its intensive risk management works in the two business segments of property development and property management in 2025.

- Continuing to put into practice the risk assessment results of all business segments**



To enhance the application of the Group's risk management results, the senior management has worked out a closed loop for risk management works, namely to identify major risks (planning), to respond to such risks (execution), to check the outcome of such response (checks), and to propose optimisation plans (improvement), in order to improve the risk management and response capabilities of the Company on a continuous basis.

In the year 2025, risk management measures were prepared, facilitated and implemented with respect to the major risks identified in all business segments in 2024. Implementation body monitored various risks of the respective business constantly, and confirmed with senior management on the outcome of such risk mitigation measures.

- Developing an alert indicator system for the major risks of all business segments**

To strengthen the monitoring of major risks, the head of respective business segments set up quantitative or qualitative monitoring indicators for major risks with clear thresholds and reporting mechanisms. The operation of a risk alert indicator system provides the management with reminders of the business areas where risks alerts are sounded, so that analysis can be taken place with risk mitigation measures taken in a timely fashion to reduce the impact of such risks and to implement control and respond to major risks with smart technology.

- Updating the assessment on the major risks in all business segments in 2025**

The head of respective segments followed and updated the risk assessment criteria in 2024; adopted systematic assessment to review the change of the nature and the extent of major risks faced by each segment; identified major risks faced by each business segment; sorted out the current status of risk management and control, the measures of next step and key risk management plans considered. Also, the assessment results were reported to the risk management committee.

The risk management committee, on behalf of the Board, reviews and assesses the changes of nature and extent of major risks and conducts a review of the risk management and internal control systems and the effectiveness of the Company's internal audit function annually. It considered the risk management system of the Company to be effective and sufficient. Management will report major risks control situation formally to the risk management committee on a half-yearly basis.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### INTERNAL CONTROL

The Board is responsible for formulating proper internal control system for the Group to safeguard the assets of the Group and the interests of Shareholders. The Audit Committee shall conduct regular review on the effectiveness of the internal control system to ensure that the system is adequate.

The Audit Centre of the Company is accountable and reports directly to the Audit Committee. The Audit Centre of the Company performs internal audit. It is responsible for constantly monitoring the work flow and risk assessment of each department of the Group, and assisting the Board and senior management of the Group in complying with the regulatory requirements and guidelines, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the Audit Centre shall ensure the effective operation of the internal control system.

The Audit Committee reviews the effectiveness of the internal control system at least twice every year to ensure the effectiveness and adequacy of the system. During the year, the Audit Committee reviewed the effectiveness of internal control system in respect of finance, operation, compliance and business matters and reported the result to the Board. Should any material fault or any material weakness in monitoring is found, the Audit Centre will report the same to the Audit Committee in timely manner.

In order to promote good corporate governance and strengthen the internal control of the Company, the Company has a whistleblowing policy, anti-corruption policy and information management policy in place.

### Whistleblowing Policy

The whistleblowing policy was previously incorporated into the anti-corruption policy of the Company and was subsequently adopted as a separate policy in August 2022. Employees and third parties may report any suspected misconduct, malpractice or irregularity of the employees, customers and suppliers of the Group in confidence to the Audit Centre of the Company who shall report the cases to the Audit Committee regularly.

### Anti-corruption Policy

The Company adopted its anti-corruption policy in September 2016 and updated it in August 2022. It aims to establish policies and systems to promote and support anti-corruption laws and regulations. The Audit Centre of the Company is responsible for overseeing the anti-corruption works of the Group. It formulates policies and conducts training sessions on anti-corruption, and investigates complaints on suspected corruption acts. Suspected cases may be reported to the competent authorities for handling.

### Information Management Policy

In order to standardise information management works, the Board has formulated an information management policy. The information management policy includes procedures and internal controls for the handling and dissemination of inside information. The information management policy provides including but not limited to the procedures of the obligation and execution of the management and publication of inside information, confidentiality arrangement, collection and evaluation of information and the manner of publication to ensure timely reporting of inside information to the Board and communication with the Group's stakeholders.

### Review of Accounting, Financial Reporting and Internal Audit Functions

The Audit Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

### Review of Environmental, Social and Governance Performance and Reporting Functions

The Risk Management Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's ESG performance and reporting functions.

## REVIEW OF THE EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has continued to oversee the management in the design, implementation and monitoring of the risk management and internal control systems. It conducted a comprehensive review of the risk management and internal control systems of the Company during the year, and continuously oversees major risks and regularly reviews the implementation of management and control measures covering the period of 2025. Based on its review and the advice from the Audit Committee and the Risk Management Committee, it considered that the risk management and internal control systems are effective and adequate.

## COMPANY SECRETARY

Madam Ko Tsz San was appointed as the company secretary of the Company with effect from 26 July 2024. Madam Ko is a Chartered Secretary, a Chartered Governance Professional and an employee of the Company. She is familiar with the day-to-day affairs of the Company and has devoted sufficient time to the affairs of the Company. Madam Ko reports to the Chairman and is responsible for advising the Board on governance matters, new director's induction and professional development of Directors as well as ensuring good information flow between the Board members and the compliance of the policy and procedure of the Board. Madam Ko has confirmed that she has received relevant professional trainings of no less than 15 hours to update her skills and knowledge during the year.

### RELATION BETWEEN THE COMPANY AND SHAREHOLDERS

#### (i) Shareholders' Right to Convene General Meeting(s)

Pursuant to Article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board. The requisition must specify the objects of the meeting, be signed by the requisitioner(s), and be deposited to the registered office and principal place of business in Hong Kong of the Company.

If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitioner(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

#### (ii) Shareholders' Right to Nominate a Director

Shareholder(s) who wish(es) to propose a person (other than himself/herself) for election as a Director at the general meeting of the Company, should deposit a written notice at the Company's principal place of business in Hong Kong for the attention of the Company Secretary. The notice must state the full name of the candidate, his/her biographical details as required by Rule 13.51(2) of the Listing Rules and be signed by the proposer and accompanied by a written consent signed by the candidate indicating his/her willingness to be elected as Director. The period for lodgment of the notice will commence no earlier than the day after the dispatch of the notice of general meeting and not later than 7 days prior to the date of general meeting. The relevant detailed procedures have been published on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)).

#### (iii) Shareholders' Right to Make Enquiries

Shareholders may raise enquiries with the Board at any time. Such request shall be in writing and delivered by post to Capital Markets Department of the Company or the Company Secretary at Suite 508, 5/F., South Tower, World Finance Centre, Harbour City, Kowloon, Hong Kong. Shareholders may also raise enquiries with the Board at the annual general meetings of the Company.

Shareholders and the investors may make a request for the public information of the Company at any time. Such request shall be in writing and delivered by post to Capital Markets Department of the Company at Suite 508, 5/F., South Tower, World Finance Centre, Harbour City, Kowloon, Hong Kong.

### (iv) Communication with Shareholders

Both the Board and the management fully understand the importance of building up of good communication with the Shareholders and investing public in order to assist the Shareholders and investors to have a better understanding of the businesses of the Group and to allow the Board and the management to solicit and understand the views of the Shareholders and investors. The following key channels and platforms are used to facilitate two-way communication:

- The Company publishes the annual reports, interim reports, announcements, and circulars on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)) and Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company also posts onto its website the financial highlights, press release, and the terms of reference of the Board's committees, so that Shareholders can obtain more corporate information from the Company's website. Moreover, in order to enable Shareholders to have a better understanding of the latest movement and development of the Group, company news has also been released in the Company's website;
- The Company is committed to improve its relation with investors. Senior management of the Company conducts meetings with institutional investors, fund managers and financial analysts, when appropriate. The report of meetings will also be presented to the Board for review in each regular Board meeting to ensure that views and recommendations of investors, fund managers and financial analysts can be reached to the Board;
- Annual general meeting of the Company is an important channel for regular face-to-face communications between the Board and the Shareholders. It provides a platform where Shareholders may communicate their views on various matters affecting the Company and the Board may solicit and understand the views of Shareholders and stakeholders. Members of the Board take part in the annual general meetings in order to have more contacts with the Shareholders. Mr. Chen Zhuo Lin (Chairman and President), Dr. Peng Shulong (chairperson of Remuneration Committee), Mr. Kwong Che Keung, Gordon (chairperson of Audit Committee), Mr. Hui Chiu Chung, Stephen (chairperson of Nomination Committee), Mr. Huang Fengchao (the then chairperson of Risk Management Committee), Madam Yue Yuan (an executive Director) and the representative of incumbent and incoming external auditors had attended Last AGM. In the general meeting, there is a briefing on the business of the Company by the Chairman and a question and answer session as well as a discussion with Shareholders on the long-term development strategy of the Company. After the general meeting, poll results are posted on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)), Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)); and
- The Company's notice of Last AGM had been dispatched to Shareholders in not less than 21 clear days before the commencing date of the meeting. All resolutions proposed at the general meeting had been taken by way of poll pursuant to Rules 13.39(4) of the Listing Rules. The relevant procedures of voting by poll to the attending Shareholders and made known by the Shareholders had been explained in detail at the meeting. For all other general meetings, at least 14 clear days notice will be given.

Based on above, the Company considers the above communication policy by way of regular updates on the business and financial information of the Group through the publication of annual and interim reports, meetings with investors and face-to-face communications at annual general meetings are effective and adequate.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### (v) Dividend Policy

The Company adopted a dividend policy on 7 December 2018 which provides, among other things, that no less than 35% of the profits attributable to shareholders for each financial year shall be distributed as dividend subject to a number of considerations including but not limited to the amount of distributable profits, actual and expected financial conditions, operating results and strategies, cash flow, expected working capital requirements and expansion plans. For details of the dividend policy, please refer to page 71 of this annual report.

### (vi) Public Float

Based on the publicly available information and to the best knowledge of the Directors, as at the date of this annual report, the Company maintained its public float of at least 25% as required under Rule 8.08 of the Listing Rules.

### (vii) Important Shareholders' Dates for 2026

Date	Event
30 April 2026	Issue of notice convening the Forthcoming AGM
29 May 2026 to 3 June 2026 (both dates inclusive)	Book closure days for the Forthcoming AGM
3 June 2026	Forthcoming AGM
On or before 31 August 2026	Release of interim results for six months ended 30 June 2026

### **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES**

The Company has adopted the Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. After having made specific enquires of all Directors, all Directors have confirmed that they had fully complied with the standard set out in the Securities Dealing Code for Directors during the year.

The Company has also adopted a securities transactions code by employees of the Group which is on no less exacting terms than the Model Code.

### **CONSTITUTIONAL DOCUMENTS**

By a special resolution passed in the Last AGM, the Company adopted the third amended and restated articles of association.

The Board is also proposing a special resolution at the Forthcoming AGM for the Shareholders to consider, and if thought fit, approve and adopt the fourth amended and restated articles of association of the Company. Please refer to the announcement of the Company dated 31 March 2026 for details.

# REPORT OF THE DIRECTORS

The Board is pleased to present their report for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal businesses of the Company is investment holding. Its major subsidiaries, joint ventures and associated companies are principally engaged in the businesses of property development, property management and others. An analysis of the Group's performance for the year by principal business segments is set out in note 4 to the consolidated financial statements.

## RESULTS AND OVERALL PERFORMANCE

The Group's results for the year ended 31 December 2025 are set out on pages 90 to 91 of this annual report.

## BUSINESS REVIEW

Business review for the year and future business development of the Group as well as the major risks and uncertainties of the Group are set out in "Management Discussion and Analysis" on pages 9 to 15 and the "Chairman's Statement" on pages 6 to 8 of this annual report. Please refer to note 47 to the consolidated financial statements for the financial risks exposed to the Group. Analysis of the performance of the Group for the year based on key financial indicators is set out in "Five-Year Financial Summary" on pages 240 to 241 of this annual report. Save as disclosed in this annual report, the Group has no significant events since the financial year under review.

The Group believes that sustainable development is crucial to the development of a corporate and actively implements the concept of sustainable development at every level of the operation so as to create a better future for the community and the Group. Please refer to the Environmental, Social and Governance Report published by the Company.

The Group is mainly engaged in the property development in China. As a property developer in China, the Group is required to comply with various national and local laws and regulations on environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. The Group has complied with the laws and regulations which are significant to the operation of the Group.

The Group is of the view that our employees, customers and business partners are important to our sustainable development. The Group is committed to maintaining close relationship with our employees, providing quality services to customers and strengthening the cooperation with our business partners.

### DIVIDEND POLICY

The Board has adopted a dividend policy (the “**Dividend Policy**”) on 7 December 2018.

Pursuant to the Dividend Policy, no less than 35% of the profits attributable to shareholders for each financial year shall be distributed as dividend subject to, among other things, distributable profits, actual and expected financial conditions, operating results and strategies, cash flow, expected working capital requirements and expansion plans, future development prospects, shareholders’ interests and other factors that the Board deems appropriate.

Recommendation, declaration and payment of dividends shall be determined at the sole discretion of the Board and subject to the requirements of the Companies Law of the Cayman Islands, the Articles and all applicable laws and regulations.

The Board will review the Dividend Policy from time to time and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. There is no assurance that dividends will be paid in any particular amount for any given period.

### DIVIDENDS

During the year, the Company did not pay any interim dividend to the Shareholders (2024: Nil). The Board did not propose any final dividend for the year ended 31 December 2025 (2024: Nil).

### CLOSURE OF REGISTER OF MEMBERS

To facilitate the processing of proxy voting for the Forthcoming AGM to be held on Wednesday, 3 June 2026, the register of members of the Company will be closed from Friday, 29 May 2026 to Wednesday, 3 June 2026, both dates inclusive, during which no transfer of Shares will be registered. In order to be entitled to attend and vote at the Forthcoming AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Thursday, 28 May 2026.

### SHARE CAPITAL

Details of the movement in the share capital of the Company during the year are set out in note 33 to the consolidated financial statements.

### (DEFICIT)/RESERVES

Details of movement in the (deficit)/reserves of the Group during the year are set out in the consolidated statement of changes in equity.

As at 31 December 2025, the deficit of the Company were approximately RMB44 million (2024: distributable reserves of RMB5,631 million).

## REPORT OF THE DIRECTORS (CONTINUED)

### SENIOR NOTES

Details of senior notes of the Company are set out in note 31 to the consolidated financial statements.

### SENIOR PERPETUAL CAPITAL SECURITIES

Details of senior perpetual capital securities of the Company are set out in note 36 to the consolidated financial statements.

### EXCHANGEABLE BONDS

Details of exchangeable bonds of the Company are set out in note 31 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

### INTANGIBLE ASSETS

Details of movement in intangible assets of the Group during the year are set out in notes 17 and 18 to the consolidated financial statements.

### INVESTMENT PROPERTIES

During the year, the fair value losses of the Group's investment properties amounted to RMB519 million (2024: losses of RMB477 million) and have been recognised directly in the consolidated financial statements.

Details of movement in investment properties of the Group during the year are set out in note 15 to the consolidated financial statements.

### BORROWINGS

Details of the Group's borrowings are set out in note 31 to the consolidated financial statements.

### INTEREST CAPITALISED

Interest and other borrowing costs capitalised of the Group during the year are set out in note 8 to the consolidated financial statements.

### DONATIONS

The Group's charitable and other donations during the year amounted to RMB0.04 million (2024: RMB1 million).

### RETIREMENT BENEFIT SCHEME

Details of retirement benefit scheme of the Group are set out in notes 2.4 and 7 to the consolidated financial statements.

### GROUP FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on pages 240 to 241 of this annual report.

### DIRECTORS

The Directors as at the date of this report are listed on page 242 of this annual report. Except for (1) Mr. Huang Fengchao who resigned as an executive Director on 19 September 2025 due to his reaching of retirement age and his desire to ease workload so as to spare more time for his personal commitments; and (2) Mr. Chan Cheuk Hung who was re-designated as a NED on 11 July 2025, and resigned as a NED on 1 April 2026 due to his reaching of retirement age and his desire to ease workload so as to spare more time for his other commitments, all Directors served throughout the year.

### INDEPENDENCE CONFIRMATION

The Company has received the confirmation from all INEDs listed on page 242 of this annual report regarding their independence pursuant to Rule 3.13 of the Listing Rules and considers all of them to be independent.

### TERMS OF APPOINTMENT

Article 84 of the Articles provides that one-third of Directors for the time being shall retire from office by rotation at the annual general meeting and every Director shall be subject to retirement at least once every three years. In accordance therewith, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Nam and Mr. Kwong Che Keung, Gordon will retire as Directors at the Forthcoming AGM and, being eligible, offer themselves for re-election.

Each of the executive Directors, NEDs and INEDs has entered into a service agreement/an appointment letter with the Company for a term of three years subject to retirement by rotation pursuant to Article 84 of the Articles. None of the Director has a service agreement/an appointment letter with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. After having made specific enquiries of all Directors, each of the Directors has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2025.

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by the Model Code to be notified to the Company and Hong Kong Stock Exchange, were as follows:

#### (1) Long positions in Shares of the Company

Name of Director	Capacity of interests held	Shares held in the Company		Total number of Shares	Approximate percentage to issued share capital
		Number of Shares	Note		
Mr. Chen Zhuo Lin	Beneficiary of a trust	2,453,096,250	1	2,597,944,500	51.48%
	Beneficial owner	130,572,000			
	Controlled corporation	14,276,250	2		
Mr. Chan Cheuk Hung	Beneficiary of a trust	2,453,096,250	1	2,453,096,250	48.61%
Mr. Chan Cheuk Hei	Beneficiary of a trust	2,453,096,250	1	2,460,971,250	48.77%
	Beneficial owner	7,875,000	3		
Mr. Chan Cheuk Nam	Beneficiary of a trust	2,453,096,250	1	2,459,877,750	48.75%
	Beneficial owner	6,781,500	4		
Madam Yue Yuan	Beneficial owner	42,000		42,000	0.00%

Notes:

- Held by Top Coast which is wholly and jointly owned by Full Choice, Mr. Todd, Richard Frazer, Mr. Richardson, Clive Stuart, and Mr. Deakin, Gary Colin being the joint trustees of the Chen's Family Trust, beneficiaries of which include but not limit to Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026), Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam.
- Held by Famous Tone Investments Limited (名通投資有限公司), which is jointly controlled by Mr. Chen Zhuo Lin and his spouse Madam Luk Sin Fong, Fion.
- Jointly held by Mr. Chan Cheuk Hei and his spouse Madam Lu Yanping.
- Jointly held by Mr. Chan Cheuk Nam and his spouse Madam Chan Siu Na.

## REPORT OF THE DIRECTORS (CONTINUED)

### (2) Long positions in the shares of associated corporations of the Company

#### A. Top Coast

Name of Director	Capacity of interests held	Number of shares	Description of shares	Percentage to issued share capital
Mr. Chen Zhuo Lin	Controlled corporation	2 (Note)	Ordinary	100.00%

Note: By virtue of the SFO, Mr. Chen Zhuo Lin is deemed to be interested in 2 ordinary shares, representing 100% of the then issued voting shares, in Top Coast, a company wholly and jointly owned by Full Choice, Mr. Todd, Richard Frazer, Mr. Richardson, Clive Stuart, and Mr. Deakin, Gary Colin being the joint trustees of the Chen's Family Trust. Full Choice is in turn owned as to 50% by Mr. Chen Zhuo Lin and Mr. Chan Cheuk Yin respectively.

#### B. A-Living

Name of Director	Capacity of interests held	Number of shares	Description of shares	Approximate percentage to total issued share capital
Mr. Chen Zhuo Lin	Beneficiary of a trust	643,485,064 (Note)	H shares	45.32%
Mr. Chan Cheuk Hung	Beneficiary of a trust	643,485,064 (Note)	H shares	45.32%
Mr. Chan Cheuk Hei	Beneficiary of a trust	643,485,064 (Note)	H shares	45.32%
Mr. Chan Cheuk Nam	Beneficiary of a trust	643,485,064 (Note)	H shares	45.32%

Note: The Company holds, through its indirect wholly-owned subsidiaries, Zhongshan A-Living Enterprises Management Services Co., Ltd. (中山雅生活企業管理服務有限公司) ("Zhongshan A-Living"), and Farsail Goldman International Limited (遠航金門國際有限公司) ("Farsail"), 608,911,750 and 34,573,314 H shares in A-Living respectively. Full Choice, Mr. Todd, Richard Frazer, Mr. Richardson, Clive Stuart, and Mr. Deakin, Gary Colin jointly hold, through Top Coast, 48.61% equity interests of the Company, as trustees of the Chen's Family Trust, beneficiaries of which include but not limit to Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026), Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam. By virtue of the SFO, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed to be interested in these 643,485,064 H shares in A-Living.

## REPORT OF THE DIRECTORS (CONTINUED)

### (3) Short positions in the shares of associated corporations of the Company

#### A-Living

Name of Director	Capacity of interests held	Number of shares	Description of shares	Approximate percentage to total issued share capital
Mr. Chen Zhuo Lin	Beneficiary of a trust	97,726,350 (Note)	H shares	6.88%
Mr. Chan Cheuk Hung	Beneficiary of a trust	97,726,350 (Note)	H shares	6.88%
Mr. Chan Cheuk Hei	Beneficiary of a trust	97,726,350 (Note)	H shares	6.88%
Mr. Chan Cheuk Nam	Beneficiary of a trust	97,726,350 (Note)	H shares	6.88%

Note: The Company holds, through its indirect wholly-owned subsidiaries, Zhongshan A-Living and Farsail, 46,896,286 and 50,830,064 H shares in A-Living respectively, and Full Choice, Mr. Todd, Richard Frazer, Mr. Richardson, Clive Stuart, and Mr. Deakin, Gary Colin jointly hold, through Top Coast, 48.61% equity interests of the Company, as trustees of the Chen's Family Trust, beneficiaries of which include but not limit to Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026), Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam. By virtue of the SFO, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed to be interested in these 97,726,350 H shares in A-Living.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by the Model Code to be notified to the Company and Hong Kong Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

To the best knowledge of the Directors or chief executive of the Company, as at 31 December 2025, the interests or short positions of substantial Shareholders (other than Directors or the chief executive of the Company) in the Shares or underlying Shares which (i) have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

### Long positions in Shares of the Company

Name of Shareholder	Capacity of interests held	Shares held in the Company			Approximate percentage to issued share capital
		Number Shares	Note	Total number of Shares	
Full Choice	Trustee	2,453,096,250	1	2,453,096,250	48.61%
Mr. Todd, Richard Frazer	Trustee	2,453,096,250	1	2,453,096,250	48.61%
Mr. Richardson, Clive Stuart	Trustee	2,453,096,250	1	2,453,096,250	48.61%
Mr. Deakin, Gary Colin	Trustee	2,453,096,250	1	2,453,096,250	48.61%
Top Coast	Beneficial owner	2,453,096,250	1	2,453,096,250	48.61%
Mr. Chan Cheuk Yin	Controlled corporation	2,468,783,750	2	2,468,783,750	48.93%
Madam Luk Sin Fong, Fion	Spouse	2,583,668,250	3	2,597,944,500	51.48%
	Controlled corporation	14,276,250	4		
Madam Zheng Huiqiong	Spouse	2,468,783,750	5	2,468,783,750	48.93%
Madam Lu Liqing	Spouse	2,453,096,250	6	2,453,096,250	48.61%
Madam Lu Yanping	Beneficial owner	7,875,000	7	2,460,971,250	48.77%
	Spouse	2,453,096,250	8		
Madam Chan Siu Na	Beneficial owner	6,781,500	9	2,459,877,750	48.75%
	Spouse	2,453,096,250	10		
Mr. Chen Sze Long	Beneficial owner	95,942,993		307,432,500	6.09%
	Controlled corporation	211,489,507	11		
Madam Wang Huizhao	Spouse	307,432,500	12	307,432,500	6.09%

Notes:

- Held by Top Coast which is wholly-owned by Full Choice, Mr. Todd, Richard Frazer, Mr. Richardson, Clive Stuart, and Mr. Deakin, Gary Colin being the joint trustees of the Chen's Family Trust.
- 15,687,500 shares are held by Renowned Idea Investments Limited (明思投資有限公司), which is wholly-owned by Mr. Chan Cheuk Yin, and the remaining 2,453,096,250 shares are indirectly held by Full Choice as a joint trustee of the Chen's Family Trust in which Mr. Chan Cheuk Yin is a director and has control over Full Choice.
- By virtue of the SFO, Madam Luk Sin Fong, Fion is deemed to be interested in the Shares held by her spouse, Mr. Chen Zhuo Lin (1) as beneficial owner and (2) as a beneficiary of the Chen's Family Trust.
- Held by Famous Tone Investments Limited (名通投資有限公司), which is jointly controlled by Madam Luk Sin Fong, Fion and her spouse, Mr. Chen Zhuo Lin.
- By virtue of the SFO, Madam Zheng Huiqiong is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Yin.
- By virtue of the SFO, Madam Lu Liqing is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Hung.
- Jointly held by Madam Lu Yanping and her spouse, Mr. Chan Cheuk Hei.
- By virtue of the SFO, Madam Lu Yanping is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Hei.

## REPORT OF THE DIRECTORS (CONTINUED)

9. Jointly held by Madam Chan Siu Na and her spouse, Mr. Chan Cheuk Nam.
10. By virtue of the SFO, Madam Chan Siu Na is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Nam.
11. 41,271,000, 96,114,507 and 74,104,000 Shares are held by Cosmic Advance Holdings Limited (宇進控股有限公司), Union High Investment Group Limited (聯高投資集團有限公司) and Sage New Limited (賢新有限公司) respectively, which are wholly-owned by Mr. Chen Sze Long.
12. By virtue of the SFO, Madam Wang Huizhao is deemed to be interested in the Shares held by her spouse, Mr. Chen Sze Long (1) as beneficial owner, and (2) through Cosmic Advance Holdings Limited (宇進控股有限公司), Union High Investment Group Limited (聯高投資集團有限公司) and Sage New Limited (賢新有限公司), which are wholly-owned by him.

Save as disclosed above, as at 31 December 2025, none of the substantial Shareholders (other than Directors or chief executives of the Company) had informed the Company that they had any interests or short positions which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.

### INTERESTS OF ANY OTHER PERSONS

Save as disclosed in the foregoing, as at 31 December 2025, none of any other persons had informed the Company that they had any interests and short positions in the Shares which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.

### REMUNERATION POLICY OF THE GROUP

As at 31 December 2025, the Group had a total of 84,126 employees. The related employees' costs for the year amounted to approximately RMB5,632 million. The remuneration package of the Group is determined and bonuses are distributed with reference to the market levels, individual performance and contributions, the profitability of the Group and prevailing market conditions. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

### BASIS FOR DETERMINING EMOLUMENTS TO DIRECTORS

The emoluments payable to the Directors are determined by the Board based on the recommendations of the Remuneration Committee with reference to the market levels, the Group's results, the competency, contributions and the responsibilities towards the Company.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this annual report, the following Directors have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group:

- (1) Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026), Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are interested in Changjiang Hotel Company, a company principally engaged in the hotel business and operating the Zhongshan Agile Changjiang Hotel in Zhongshan, the PRC.

- (2) Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung (resigned as a NED on 1 April 2026), Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are interested in Zhongshan Baocuiyuan Enterprise Management Consulting Co., Ltd.^ (中山市寶翠園企業管理諮詢有限公司), a company principally engaged in enterprise management consultancy, with real estate development and operation as a permitted business activity.

In accordance with the Articles, Directors shall abstain from voting on any resolution of the Directors in respect of any contract, arrangement or proposal in which he or she or any of his or her associates has material interests.

As the Board is independent from the boards of directors of the above entities and the above Directors are unable to control the Board, the Directors are of the view that the Group is able to operate its hotel business fairly and independently of Changjiang Hotel Company.

### **DIRECTORS' MATERIAL INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

As at the end of or any time during the year, there were no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party, and in which a Director and/or his or her related entities had a material interest in the transactions, arrangements or contracts, whether directly or indirectly.

### **CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS**

Neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries, during the year.

### **CHANGES IN INFORMATION OF DIRECTORS**

Save as below, there have been no change in information of Directors since the date of 2025 interim report and up to the date of this annual report pursuant to Rule 13.51B(1) of the Listing Rules:

- (1) the re-designation of Mr. Chan Cheuk Hung from an executive Director to a NED with effect from 11 July 2025 and the resignation of Mr. Chan Cheuk Hung as a NED with effect with 1 April 2026;
- (2) the retirement of Mr. Kwong Che Keung, Gordon as an independent non-executive director of Piraeus Port Authority S.A. (a company listed in Athens, Greece) in July 2025;
- (3) the resignation of Mr. Huang Fengchao as an executive Director and cessation as a member of the Risk Management Committee on 19 September 2025;
- (4) the appointment of Mr. Hui Chiu Chung, Stephen as a member of the Risk Management Committee on 19 September 2025; and
- (5) the appointment of Mr. Chen Zhuo Lin as the chairperson and Madam Yue Yuan as a member of the Executive Committee on 5 December 2025.

The biographical details of the Directors are set out in "Directors' Profile" on pages 37 to 39 of this annual report.

## REPORT OF THE DIRECTORS (CONTINUED)

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the largest customer of the Group accounted for approximately 5.5% of sales of the Group for the year and sales to the five largest customers of the Group accounted for less than 30% of sales of the Group for the year.

During the year, purchases from the largest supplier of the Group accounted for 0.8% of purchases of the Group for the year and purchases from the five largest suppliers of the Group accounted for less than 30% of purchases of the Group for the year.

None of the Directors, their respective close associates nor any Shareholders (who are interested in more than 5% of the issued Shares to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

### RELATED PARTY TRANSACTIONS

Certain of the related party transactions as set out in note 44 to the consolidated financial statements are connected transactions or continuing connected transactions, both of which are fully exempted from reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. Save as disclosed above, there were no other related party transactions during the year as set out in note 44 to the consolidated financial statements which, the Directors to the best of their knowledge, constituted connected transactions or continuing connected transactions that were subject to the reporting requirements under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the requirements under Chapter 14A of the Listing Rules in relation to the aforesaid connected transactions and continuing connected transactions.

### CONNECTED TRANSACTIONS

The Group did not have any connected transactions which is discloseable pursuant to Chapter 14A of the Listing Rules during the year ended 31 December 2025.

### MANAGEMENT CONTRACTS

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

### PERMITTED INDEMNITY PROVISION

According to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate insurance covering the potential legal actions against its Directors and senior management in connection with the discharge of their responsibilities.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Panyu Agile's restructuring replacement bonds of RMB500 million with an initial coupon rate of 6.5% due 2028 (corporate bond code: 242678) (the "Restructuring Replacement Bonds") are listed on the Shanghai Stock Exchange from 28 March 2025 to replace Panyu Agile's public domestic corporate bonds of RMB500 million with an initial coupon rate of 7.5% due 2025 (corporate bond code: 115100) (the "Public Bonds I") in full. The Public Bonds I was delisted on 8 April 2025. On 2 July 2025, Panyu Agile had redeemed RMB50 million Restructuring Replacement Bonds at its principal amount with accrued interests.

On 26 June 2025, Panyu Agile fully redeemed its public domestic corporate bonds of RMB180 million with an initial coupon rate of 5% due 2025 (corporate bond code: 115101) (the "Public Bonds II") at its principal amount with accrued interests. The Public Bonds II had been delisted from the Shanghai Stock Exchange on 26 June 2025.

During the year ended 31 December 2025, pursuant to the buy-back general mandates granted by the shareholders of A-Living at the annual general meeting of A-Living held on 29 May 2024 and 28 May 2025, respectively, A-Living bought back a total of 1,460,250 H shares on the Hong Kong Stock Exchange for an aggregate consideration of HK\$4,214,002.5, which are held as treasury shares (as defined in the Listing Rules) of A-Living. The H Shares bought back were financed by A-Living with its existing available cash reserves. Details of the H Shares bought back are as follows:

Date	Number of H Shares repurchased	The highest repurchase price (HK\$/Share)	The lowest repurchase price (HK\$/Share)	Aggregate consideration Paid (HK\$)
20 June 2025	200,000	2.85	2.84	569,152.5
15 May 2025	200,000	2.92	2.91	582,937.5
14 May 2025	200,000	2.91	2.91	582,000.0
13 May 2025	60,250	2.95	2.95	177,737.5
8 May 2025	200,000	2.91	2.91	582,000.0
7 May 2025	200,000	2.89	2.89	578,000.0
2 May 2025	200,000	2.92	2.90	582,827.5
29 April 2025	200,000	2.80	2.79	559,347.5
Total	1,460,250			4,214,002.5

As at 31 December 2025, 1,460,250 H Shares bought back were not cancelled and were held by A-Living as treasury shares. In accordance with the applicable laws and regulations, such treasury shares may either be cancelled later or continue to be held by A-Living as treasury shares for the share scheme to be adopted, subject to market conditions at the relevant time and the capital management needs of A-Living and its subsidiaries.

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

## REPORT OF THE DIRECTORS (CONTINUED)

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in the memorandum of association of the Company and the Articles and under the laws of the Cayman Islands which would oblige the Company to offer new Shares (if any) to the existing Shareholders on a pro rata basis.

### EQUITY LINKED AGREEMENT

During the year, the Company did not enter into any equity linked agreement except the disclosure in note 34 to the consolidated financial statements.

### CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the then CG Code throughout the year except for certain deviations, details of which are set out in the Corporate Governance Report of this annual report.

### SUSTAINABLE DEVELOPMENT

The Group believes that promoting sustainability is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainability in its operations. Moreover, it values opportunities to learn more about the needs and expectations of the communities in which it operates, as well as those of other stakeholders. The Group is committed to strengthening its management's efforts to promote sustainability through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate its commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix C2 to the Listing Rules. The report will present the Company's commitment to sustainable development during the year under review and it will cover the significant economic, environmental and social achievements and impact arising from the activities of the Group and its joint ventures.

### SHAREHOLDERS' TAX RELIEF

If the Shareholders have any doubt in relation to any relief from taxation by holding the Shares, they are advised to consult their own professional advisers.

### PUBLIC FLOAT

Based on the publicly available information and to the best knowledge of its Directors, at least 25% of the Company's total issued share capital is being held by the public for the year ended 31 December 2025 and as at the date of this annual report.

### AUDIT COMMITTEE

The Audit Committee have reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025, and reviewed the accounting principles and practices adopted by the Group with the management of the Group, and discussed the internal controls and financial reporting matters with them.

### AUDITOR

As disclosed in the Company's announcement dated 15 December 2022, PricewaterhouseCoopers resigned as auditor of the Company with effect from 15 December 2022 and Ernst & Young was appointed as auditor of the Company with effect from the same date and was re-appointed at the annual general meeting of the Company held on 20 May 2024.

## REPORT OF THE DIRECTORS (CONTINUED)

As disclosed in the Company's announcements dated 22 May 2025 and 12 June 2025, Ernst & Young retired as auditor of the Company on Last AGM and Prism was appointed as auditor of the Company with effect from the conclusion of the Last AGM and until the conclusion of the Forthcoming AGM.

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by Prism, the auditor of the Company, which will retire and, being eligible, offer itself for re-appointment at the Forthcoming AGM. A resolution to re-appoint the auditor and to authorise the Directors to fix their remuneration will be proposed at the Forthcoming AGM.

Save as disclosed above, the Company did not change its external auditor in the past three years.

On behalf of the Board

**Chen Zhuo Lin**

*Chairman and President*

Hong Kong, 31 March 2026

# FINANCIAL SECTION

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# INDEPENDENT AUDITOR'S REPORT



**To the shareholders of Agile Group Holdings Limited**

*(incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Agile Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 90 to 239, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group recorded a net loss of RMB21,982,573,000 during the year ended 31 December 2025 and as at 31 December 2025, the Group had cash and bank balances (including restricted cash) of RMB5,579,191,000 and short-term borrowings of RMB38,734,277,000. As at 31 December 2025, the Group was in default of borrowings (the "Defaulted Borrowings") with a principal amount totalling RMB29,421,450,000 and interest totalling RMB1,304,601,000 because of non-payment at their respective due dates. Such default event also triggered cross-defaults of certain bank and other borrowings with an aggregate amount of RMB3,765,951,000 (the "Cross Defaulted Borrowings"). In addition, a winding-up petition (the "Petition") was filed by a company at the High Court of the Hong Kong Special Administrative Region (the "High Court") against the Company on 9 December 2025 in relation to certain alleged outstanding payment in the aggregate amount of US\$18,587,000 (equivalent to RMB130,644,000) and RMB2,347,000 respectively, arising from the arbitral award dated 25 September 2025 rendered by a China International Economic and Trade Arbitration Commission arbitral tribunal. At the hearing of the High Court on 2 March 2026, the High Court ordered the hearing of the Petition to be adjourned to 29 June 2026. These events and conditions, along with other matters as disclosed in note 2.1 to the consolidated financial statements, indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have considered the plans and measures being taken by the Group, are of the opinion that the Group would be able to continue as going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the plans and measures. Our opinion is not modified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 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. In addition to the matter described in the *Material Uncertainties Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of provisions for impairment of properties under development and completed properties held for sale</b></p> <p>The Group had properties under development and completed properties held for sale of approximately RMB52,988 million and approximately RMB11,696 million, respectively, as at 31 December 2025, which represented 30.9% and 6.8% of the Group's total assets, respectively. The carrying amounts of properties under development and completed properties for sale were stated at the lower of cost and net realisable value.</p> <p>Determination of net realisable value of the properties under development and completed properties held for sale involved critical accounting estimates on the selling price, costs to make the sale and, for properties under development, the costs to completion. Given the significant balances of properties under development and completed properties held for sale and the involvement of critical accounting estimates, assessment of net realisable value of properties under development and completed properties for sale is considered as a key audit matter.</p> <p>The accounting policies and disclosures of the properties under development and completed properties held for sale were included in notes 2.4, 3, 22 and 23 to the consolidated financial statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of the management's internal control and process of the assessment of the net realisable value of properties under development and completed properties held for sale.</li></ul> <p>In relation to properties under development, we evaluated the property construction cycle with particular focus on, but not limited to, reviewing the cost budgeting for estimated costs to completion.</p> <ul style="list-style-type: none"><li>• We evaluated management's assessment about the estimated selling price less the estimated cost to make the sale and the estimated cost to completion by (i) checking the recent market transaction prices of properties with comparable locations and conditions, where applicable; (ii) comparing the estimated cost to make the sale with the average historical costs to make the sales of the Group; (iii) comparing the latest estimated costs to completion to the budget approved by management and (iv) examining the supporting documents such as construction contracts, internal correspondences and approvals.</li></ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment assessment of goodwill in relation to property management companies</b></p> <p>As at 31 December 2025, the goodwill in relation to property management companies carried in the Group's consolidated financial statements was approximately RMB2,543 million, net of an aggregate impairment of approximately RMB594 million.</p> <p>Management is required to perform a test on goodwill for impairment at least on an annual basis. This test is largely based on management expectations, assumptions and estimates of future results of the cash-generating units to which the goodwill has been allocated. The assumptions are affected by expectations of future market or economic conditions.</p> <p>The impairment test is based on the comparison between the recoverable amounts of the relevant cash generating units and their respective carrying amounts.</p> <p>Given the complexity and judgmental nature of the impairment testing, this is identified as a key audit matter.</p> <p>The accounting policies and disclosures of the recoverability of goodwill were included in notes 2.4, 3 and 17 to the consolidated financial statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We considered the competency, capabilities and objectivity of the independent professional valuer engaged by the management and involved our internal valuation specialists to assist us in evaluating the methodology and key assumptions adopted in the impairment assessments.</li> <li>• We evaluated management expectations, assumptions and estimates of future results of the cash-generating units used in the valuation models by (i) testing the assumptions used in the cash flow forecasts; (ii) comparing the historical forecast with actual results; and (iii) comparing revenue growth rates adopted for the forecast periods to the historical revenue growth rates.</li> <li>• We also assessed the adequacy of the disclosures for the impairment testing of goodwill.</li> </ul>

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed a disclaimer of opinion due to material uncertainties related to going concern on those consolidated financial statements on 31 March 2025.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 the other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 that users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism 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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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 Lee Kwok Lun.

**Prism Hong Kong Limited**

*Certified Public Accountants*

**Lee Kwok Lun**

Practising Certificate Number: P06294

Hong Kong

31 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	5	27,859,229	43,345,885
Cost of sales		(32,765,451)	(43,867,079)
<b>Gross loss</b>		<b>(4,906,222)</b>	(521,194)
Other income and gains, net	5	256,353	1,182,354
Selling and marketing costs		(652,148)	(1,160,939)
Administrative expenses		(1,705,795)	(2,628,008)
Net impairment losses on financial and contract assets	7	(2,114,874)	(2,129,756)
Losses from disposal/derecognition of subsidiaries	39	(2,896,116)	(1,969,399)
Impairment of property, plant and equipment	14	(527,831)	(1,695,892)
Impairment losses on investments accounted for using the equity method	7,19	(727,355)	(20,199)
Other expenses	6	(1,702,928)	(2,266,933)
		(14,976,916)	(11,209,966)
Finance costs, net	8	(478,303)	(649,437)
Share of losses and profits of investments accounted for using the equity method		(124,959)	(653,665)
<b>Loss before income tax</b>	7	<b>(15,580,178)</b>	(12,513,068)
Income tax expenses	11	(6,402,395)	(5,025,948)
<b>Loss for the year</b>		<b>(21,982,573)</b>	(17,539,016)
<b>Loss attributable to:</b>			
– Shareholders of the Company		(22,568,987)	(17,216,324)
– Holders of Perpetual Capital Securities		1,057,059	1,051,416
– Non-controlling interests		(470,645)	(1,374,108)
		(21,982,573)	(17,539,016)
<b>Loss per share attributable to shareholders of the Company</b>			
– Basic and diluted (in RMB per share)	13	(4.473)	(3.412)

The notes on pages 99 to 239 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Loss for the year</b>	<b>(21,982,573)</b>	(17,539,016)
<b>Other comprehensive (loss)/income:</b>		
Items that will not be reclassified subsequently to profit or loss:		
– Changes in fair value of equity investments measured at fair value through other comprehensive income, net of tax	<b>(3,325)</b>	–
– Revaluation gains arising from property, plant and equipment transferred to investment properties, net of tax	–	142,905
Items that may be reclassified to profit or loss in subsequent periods:		
– Currency translation differences	<b>(439,645)</b>	229,171
<b>Other comprehensive (loss)/income for the year, net of tax</b>	<b>(442,970)</b>	372,076
<b>Total comprehensive loss for the year</b>	<b>(22,425,543)</b>	(17,166,940)
<b>Attributable to:</b>		
– Shareholders of the Company	<b>(23,010,093)</b>	(16,903,501)
– Holders of Perpetual Capital Securities	<b>1,057,059</b>	1,051,416
– Non-controlling interests	<b>(472,509)</b>	(1,314,855)
	<b>(22,425,543)</b>	(17,166,940)

The notes on pages 99 to 239 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	8,365,763	10,484,230
Investment properties	15	8,828,346	9,278,334
Right-of-use assets	16(a)	1,981,635	2,151,795
Goodwill	17	2,543,438	2,708,419
Other intangible assets	18	893,277	1,099,035
Investments accounted for using the equity method	19	17,555,036	20,544,361
Properties under development	22	13,875,464	14,910,009
Other receivables	25	5,244,368	5,316,326
Financial assets at fair value through other comprehensive income	20	30,925	43,343
Deferred income tax assets	32	2,850,860	4,537,706
		<b>62,169,112</b>	71,073,558
<b>Current assets</b>			
Completed properties held for sale	23	11,696,016	13,552,061
Inventories		218,627	258,220
Prepayments for acquisition of land use rights	24	192,693	323,886
Contract assets	26	2,185,049	2,359,398
Properties under development	22	39,112,714	48,186,855
Trade and other receivables	25	45,488,831	45,268,843
Prepaid income taxes		3,989,564	4,862,862
Financial assets at fair value through profit or loss	21	828,266	2,420,361
Restricted cash	27	2,128,162	2,957,752
Cash and cash equivalents	28	3,451,029	4,231,734
		<b>109,290,951</b>	124,421,972
<b>Total assets</b>		<b>171,460,063</b>	195,495,530

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>EQUITY</b>			
<b>Capital and (deficit)/reserves attributable to the shareholders of the Company</b>			
Share capital and premium	33	5,378,677	5,378,677
(Deficit)/reserves	35	(18,050,121)	4,964,914
		(12,671,444)	10,343,591
<b>Perpetual Capital Securities</b>	36	16,374,349	15,317,290
<b>Non-controlling interests</b>		14,250,197	14,618,155
<b>Total equity</b>		17,953,102	40,279,036
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	31	8,071,438	10,589,771
Other payables	29	4,761,319	4,786,374
Lease liabilities	16(b)	25,636	21,547
Deferred income tax liabilities	32	2,515,442	2,766,139
		15,373,835	18,163,831
<b>Current liabilities</b>			
Borrowings	31	38,734,277	38,326,563
Trade and other payables	29	53,615,577	47,622,434
Contract liabilities	30	18,768,920	26,237,696
Lease liabilities	16(b)	31,416	57,797
Current income tax liabilities		26,982,936	24,808,173
		138,133,126	137,052,663
<b>Total liabilities</b>		153,506,961	155,216,494
<b>Total equity and liabilities</b>		171,460,063	195,495,530

The notes on pages 99 to 239 form an integral part of this consolidated financial information.

The consolidated financial statements on pages 90 to 98 were approved by the Board of Directors on 31 March 2026 and were signed on its behalf by:

**Chen Zhuo Lin**  
Chairman

**Yue Yuan**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to shareholders of the Company											
	Share capital RMB'000 (note 33)	Share premium RMB'000 (note 33)	Merger reserve RMB'000 (note 35(a))	Statutory reserve and enterprise expansion funds RMB'000 (note 35(b))	Translation reserve RMB'000	Share-based payment reserve RMB'000	Other reserves RMB'000 (note 35(c))	Accumulated losses RMB'000	Total RMB'000	Perpetual Capital Securities RMB'000 (note 36)	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2025</b>	500,302	4,878,375	442,395	5,727,685	231,235	154,665	(1,517,247)	(73,819)	10,343,591	15,317,290	14,618,155	40,279,036
(Loss)/profit for the year	-	-	-	-	-	-	-	(22,568,987)	(22,568,987)	1,057,059	(470,645)	(21,982,573)
<b>Other comprehensive (loss)/ income:</b>												
Changes in fair value of equity investments measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	(1,509)	(1,509)	-	(1,816)	(3,325)
Currency translation differences	-	-	-	-	(439,597)	-	-	-	(439,597)	-	(48)	(439,645)
<b>Total comprehensive (loss)/ income for the year</b>	-	-	-	-	(439,597)	-	-	(22,570,496)	(23,010,093)	1,057,059	(472,509)	(22,425,543)
Transfer to statutory reserve and enterprise expansion funds	-	-	-	2,122	-	-	-	(2,122)	-	-	-	-
Capital reduction from the non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,334)	(2,334)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(4,942)	-	(4,942)	-	(122,663)	(127,605)
Disposal/derecognition of subsidiaries (note 39)	-	-	-	-	-	-	-	-	-	-	433,295	433,295
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(203,747)	(203,747)
<b>Balance at 31 December 2025</b>	500,302	4,878,375	442,395*	5,729,807*	(208,362)*	154,665*	(1,522,189)*	(22,646,437)*	(12,671,444)	16,374,349	14,250,197	17,953,102

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2025

	Attributable to shareholders of the Company											
	Share capital RMB'000 (note 33)	Share premium RMB'000 (note 33)	Merger reserve RMB'000 (note 35(a))	Statutory reserve and enterprise expansion funds RMB'000 (note 35(b))	Translation reserve RMB'000	Share-based payment reserve RMB'000	Other reserves RMB'000 (note 35(c))	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000	Perpetual Capital Securities RMB'000 (note 36)	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2024</b>	500,302	4,878,375	442,395	5,723,039	4,155	154,665	(1,408,314)	17,147,151	27,441,768	14,265,874	20,649,169	62,356,811
(Loss)/profit for the year	-	-	-	-	-	-	-	(17,216,324)	(17,216,324)	1,051,416	(1,374,108)	(17,539,016)
<b>Other comprehensive income:</b>												
Revaluation gains arising from property, plant and equipment transferred to investment properties, net of tax	-	-	-	-	-	-	85,743	-	85,743	-	57,162	142,905
Currency translation differences	-	-	-	-	227,080	-	-	-	227,080	-	2,091	229,171
<b>Total comprehensive income/ (loss) for the year</b>	-	-	-	-	227,080	-	85,743	(17,216,324)	(16,903,501)	1,051,416	(1,314,855)	(17,166,940)
Transfer to statutory reserve and enterprise expansion funds	-	-	-	4,646	-	-	-	(4,646)	-	-	-	-
Disposal of partial interests in subsidiaries (note 35(c))	-	-	-	-	-	-	(117,653)	-	(117,653)	-	194,749	77,096
Repayment of capital injection by non-controlling interests	-	-	-	-	-	-	-	-	-	-	(52,685)	(52,685)
Non-controlling interests on acquisition of subsidiaries (note 38)	-	-	-	-	-	-	-	-	-	-	1,215	1,215
Disposal/derecognition of subsidiaries (note 39)	-	-	-	-	-	-	-	-	-	-	(3,870,143)	(3,870,143)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(77,023)	-	(77,023)	-	(798,594)	(875,617)
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(190,701)	(190,701)
<b>Balance at 31 December 2024</b>	500,302	4,878,375	442,395*	5,727,685*	231,235*	154,665*	(1,517,247)*	(73,819)*	10,343,591	15,317,290	14,618,155	40,279,036

\* These (deficit)/reserves accounts comprise the consolidated deficit of RMB18,050,121,000 (2024: reserves of RMB4,964,914,000) in the consolidated statement of financial position.

The notes on pages 99 to 239 form an integral part of this consolidated financial information.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Loss before income tax		(15,580,178)	(12,513,068)
Adjustments for:			
Interest income	5	(54,589)	(154,921)
Depreciation of property, plant and equipment	14	601,308	696,122
Amortisation of other intangible assets	18	207,619	218,361
Depreciation of right-of-use assets	16	100,762	142,353
Provisions for properties under development and completed properties held for sale	7	5,526,327	1,398,559
Impairment losses on prepayment		–	37,113
Impairment of goodwill	17	156,561	607,628
Impairment of property, plant and equipment	14	527,831	1,695,892
Net impairment losses on financial and contract assets	25	2,114,874	2,129,756
Losses on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets	7	142,648	78,189
Exchange gains, net	5	(107,206)	(28,169)
Fair value losses on investment properties	7,15	518,722	476,634
Share of losses and profits of investments accounted for using the equity method	19	124,959	653,665
Impairment losses on investments accounted for using the equity method	7,19	727,355	20,199
Finance costs, net	8	478,303	649,437
Losses from disposal/derecognition of subsidiaries	7,39	2,896,116	1,969,399
Gains from bargain purchase of subsidiaries	5,38	–	(16,144)
Remeasurement losses resulting from transfer of a joint venture and an associate to subsidiaries	6,19	–	14,706
Net fair value losses/(gains) on financial assets at fair value through profit or loss	7	214,072	(675,505)
Losses from disposal of joint ventures and associates	7	263,505	824,924
Gain on debt restructuring		–	(145,550)
		(1,141,011)	(1,920,420)
Decrease in properties under development and completed properties held for sale		5,710,831	21,567,703
Decrease in prepayments for acquisition of land use rights		131,193	955,508
Decrease in restricted cash		828,222	636,925
(Increase)/decrease in trade and other receivables		(2,387,107)	2,202,297
Increase/(decrease) in trade and other payables		6,115,876	(3,973,451)
Decrease in contract assets		174,171	615,326
Decrease in contract liabilities		(7,404,945)	(14,904,143)
Cash generated from operations		2,027,230	5,179,745
Interest paid		(504,305)	(1,537,323)
Income tax paid		(2,160,765)	(2,276,410)
<b>Net cash (used in)/generated from operating activities</b>		<b>(637,840)</b>	1,366,012

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>Cash flows from investing activities</b>			
Net cash inflow from disposal of subsidiaries	39	4,403	112,826
Investments in associates and joint ventures		(182)	(342,045)
Purchases of property, plant and equipment, other intangible assets, investment properties and right-of-use assets		(488,827)	(1,595,567)
Proceeds received from disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets		87,530	1,101,802
Cash inflow from acquisition of subsidiaries through business combinations	38	–	17,304
Cash advances made to joint ventures, associates and other related parties		(611,964)	(873,324)
Repayment of cash advances from joint ventures, associates and other related parties		481,582	389,732
Repayment of cash advances from non-controlling interests		160,706	30,827
Cash advance made to non-controlling interests		(66,056)	(23,847)
Disposal of financial assets at fair value through OCI		9,093	–
Payment for acquisition of financial assets at fair value through profit or loss		(821,190)	(17,600)
Proceeds from settlement of financial assets at fair value through profit or loss		2,199,213	387,014
Proceeds from disposal of financial assets at fair value through other comprehensive income		–	175
Proceeds from disposal of joint ventures and associates		123,724	34,234
Interest and dividend income received		51,160	232,059
<b>Net cash generated from/(used in) investing activities</b>		<b>1,129,192</b>	<b>(546,410)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>Cash flows from financing activities</b>			
New borrowings		424,616	765,872
Repayments of borrowings		(1,130,009)	(4,892,346)
Decrease in guarantee deposits for borrowings		–	336,657
Cash advances from related parties		324,974	358,048
Repayments of cash advances made to related parties		(565,300)	(778,625)
Cash advance from non-controlling interests and third parties		23,594	353,735
Repayments of cash advances from non-controlling interests and third parties		(71,987)	(219,272)
Disposal of partial interests in subsidiaries		–	77,096
Repayment of capital injection by non-controlling interests		(2,334)	(52,685)
Principal elements of lease payments		(51,757)	(73,717)
Payment to non-controlling interests from acquisition of additional interests in subsidiaries		(127,605)	(875,617)
Dividends paid to non-controlling interests		(116,611)	(227,974)
<b>Net cash used in financing activities</b>		<b>(1,292,419)</b>	(5,228,828)
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year		4,231,734	8,637,126
Exchange gains on cash and cash equivalents		20,362	3,834
<b>Cash and cash equivalents at end of the year</b>	28	<b>3,451,029</b>	4,231,734
<b>Analysis of balances of cash and cash equivalents</b>			
Cash and bank balances	28	3,451,029	4,231,734

The notes on pages 99 to 239 form an integral part of this consolidated financial information.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Agile Group Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 14 July 2005 and is principally engaged in investment holding. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the “Group”) are principally engaged in property development and property management in the People’s Republic of China (the “PRC”).

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) since 15 December 2005.

In the opinion of the Company’s directors, the immediate holding company of the Company is Top Coast Investment Limited, which is wholly-owned by Full Choice Investments Limited, Mr. Todd, Richard Frazer, Mr. Richardson, Clive Stuart, and Mr. Deakin, Gary Colin being the joint trustees of the Chen’s Family Trust.

### Information about subsidiaries

Particulars of the Company’s principal subsidiaries as at 31 December 2025 are as follows:

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
Eastern Supreme Group Holdings Limited (directly held by the Company)	British Virgin Islands (the “BVI”)/limited liability company	US\$50,000	Investment holding/ Hong Kong	100%	100%	–
雅生活智慧城市服務股份有限公司 A-Living Smart City Services Co., Ltd. (“A-Living”) (note (ii))	PRC/foreign invested enterprise	RMB1,420,000,800	Property management/ Mainland China	–	47.05%	52.95%
雅居樂地產置業有限公司 Agile Property Land Co., Ltd. (note (iii))	PRC/wholly-foreign-owned enterprise	RMB50,000,000	Management consultant/ Mainland China	–	100%	–
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note (iii))	PRC/wholly-foreign-owned enterprise	HK\$1,428,571,429	Property development/ Mainland China	–	100%	–
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note (iii))	PRC/wholly-foreign-owned enterprise	RMB500,000,000	Property development/ Mainland China	–	100%	–
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note (iii))	PRC/wholly-foreign-owned enterprise	RMB455,000,000	Property development/ Mainland China	–	100%	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	RMB300,000,000	Property development/ Mainland China	–	100%	–
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	RMB208,163,265	Property development/ Mainland China	–	100%	–
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	RMB251,020,408	Property development/ Mainland China	–	100%	–
廣州雅居樂實業投資有限公司 Guangzhou Agile Industrial Investment Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	US\$21,690,000	Property development/ Mainland China	–	100%	–
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	US\$117,500,000	Property development/ Mainland China	–	100%	–
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	US\$118,900,000	Property development/ Mainland China	–	100%	–
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	HK\$270,000,000	Property development/ Mainland China	–	100%	–
Hainan Clearwater Bay Holdings Limited	BVI/limited liability company	US\$69	Investment holding/BVI	–	100%	–
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. ("Hainan Agile") (note (iii))	PRC/foreign invested enterprise	HK\$3,187,540,000	Property development/ Mainland China	–	100%	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
海南雅恒房地產發展有限公司 Hainan Yaheng Real Estate Development Co., Ltd. ("Hainan Yaheng") (note (iii))	PRC/foreign invested enterprise	HK\$1,770,000,000	Property development/ Mainland China	-	100%	-
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	HK\$570,000,000	Property development/ Mainland China	-	100%	-
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	HK\$780,000,000	Property development/ Mainland China	-	100%	-
佛山市三水雅居樂房地產有限公司 Foshan Sanshui Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	HK\$200,000,000	Property development/ Mainland China	-	100%	-
陝西昊瑞房地產開發有限責任公司 Shanxi Haorui Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB210,000,000	Property development/ Mainland China	-	100%	-
上海靜安城投重慶市置業有限公司 Shanghai Jing'an Chengtou Chongqing Land Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	HK\$300,000,000	Property development/ Mainland China	-	100%	-
雅恒數字(上海)商業管理有限公司 Yaheng Digital (Shanghai) Business Management Co., Ltd. (note (ii))	PRC/wholly-foreign- owned enterprise	RMB810,000,000	Commercial property operation/Mainland China	-	100%	-
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note (ii))	PRC/wholly-foreign- owned enterprise	HK\$7,000,000	Hotel operation/Mainland China	-	100%	-
佛山市雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	HK\$10,000,000	Hotel operation/Mainland China	-	100%	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	US\$203,877,551	Property development/ Mainland China	–	100%	–
中山市雅信房地產開發有限公司 Zhongshan Yaxin Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB220,000,000	Property development/ Mainland China	–	100%	–
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB350,000,000	Property development/ Mainland China	–	100%	–
廣州雅生房地產開發有限公司 Guangzhou Yasheng Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	–	100%	–
中山市雅景房地產開發有限公司 Zhongshan Yajing Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB310,000,000	Property development/ Mainland China	–	100%	–
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	HK\$1,000,000,000	Property development/ Mainland China	–	100%	–
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note (ii))	PRC/limited liability company	HK\$100,000,000	Property development/ Mainland China	–	100%	–
佛山市三水雅居樂雍景園房地產有限公司 Foshan Sanshui Agile Majestic Garden Real Estate Co., Ltd. (note (ii))	PRC/limited liability company	RMB300,000,000	Property development/ Mainland China	–	100%	–
廣東西樵商貿廣場有限公司 Guangdong Xiqiao Commerce Plaza Co., Ltd. (note (iii))	PRC/limited liability company	RMB30,000,000	Property development/ Mainland China	–	100%	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
南京江寧雅居樂房地產開發有限公司 Nanjing Jiangning Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	US\$119,800,000	Property development/ Mainland China	-	100%	-
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	US\$59,990,000	Property development/ Mainland China	-	100%	-
西安雅居樂物業投資管理有限公司 Xi'an Agile Property Investment Management Co., Ltd. (note (iii))	PRC/limited liability company	RMB650,000,000	Property development/ Mainland China	-	100%	-
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB450,000,000	Property development/ Mainland China	-	100%	-
南京雅建置業有限公司 Nanjing Yajian Land Co., Ltd. (note (iii))	PRC/limited liability company	RMB450,000,000	Property development/ Mainland China	-	100%	-
常州雅居樂房地產開發有限公司 Changzhou Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	US\$418,367,347	Property development/ Mainland China	-	100%	-
騰沖雅居樂旅遊置業有限公司 Tengchong Agile Resort Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	RMB550,000,000	Property development/ Mainland China	-	100%	-
海南雅航旅遊置業有限公司 Hainan Yahang Travel Property Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	RMB1,122,450,000	Property development/ Mainland China	-	100%	-
西雙版納雅居樂旅遊置業有限公司 Xishuangbanna Agile Resort Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	RMB500,000,000	Property development/ Mainland China	-	100%	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
瑞麗雅居樂旅遊置業有限公司 Ruili Agile Resort Co., Ltd. (note (ii))	PRC/wholly-foreign- owned enterprise	RMB304,000,000	Property development/ Mainland China	–	100%	–
西安曲江雅居樂房地產開發有限公司 Xi'an Qujiang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB664,000,000	Property development/ Mainland China	–	70%	30%
佛山市順德區雅新房地產開發有限公司 Foshan Shunde Yaxin Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB450,000,000	Property development/ Mainland China	–	100%	–
來安雅居樂房地產開發有限公司 Lai'an Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB250,000,000	Property development/ Mainland China	–	60%	40%
上海松江雅居樂房地產開發有限公司 Shanghai SongJiang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB903,000,000	Property development/ Mainland China	–	100%	–
昆山市富恒房地產開發有限公司 Kunshan Fuheng Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB130,000,000	Property development/ Mainland China	–	100%	–
中山市雅尚房地產開發有限公司 Zhongshan Yashang Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB300,000,000	Property development/ Mainland China	–	100%	–
杭州余杭雅居樂房地產開發有限公司 Hangzhou Yuhang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB30,000,000	Property development/ Mainland China	–	100%	–
南京濱江雅居樂房地產開發有限公司 Nanjing Binjiang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB2,080,722,000	Property development/ Mainland China	–	100%	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
鄭州雅居樂房地產開發有限公司 Zhengzhou Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	-	60%	40%
佛山市南海區雅恒房地產開發有限公司 Foshan Nanhai Yaheng Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB200,000,000	Property development/ Mainland China	-	100%	-
武漢長凱物業發展有限公司 Wuhan Changkai Property Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB621,148,000	Property development/ Mainland China	-	100%	-
中山市雅盈房地產開發有限公司 Zhongshan Yaying Real Estate Development Company Limited (note (ii))	PRC/limited liability company	RMB1,000,000	Property development/ Mainland China	-	100%	-
北京雅晟房地產開發有限公司 Beijing Yasheng Real Estate Development Co., Ltd. (note (iii))	PRC/wholly-foreign- owned enterprise	RMB1,000,000,000	Property development/ Mainland China	-	100%	-
中山市世光創建置業有限公司 Zhongshan Shiguang Chuangjian Zhiye Company Limited (note (ii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	-	100%	-
重慶雅恒房地產開發有限公司 Chongqing Yaheng Real Estate Development Co. Ltd. (note (iii))	PRC/limited liability company	RMB600,000,000	Property development/ Mainland China	-	100%	-
廣州雅悅房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (ii))	PRC/limited liability company	RMB200,000,000	Property development/ Mainland China	-	100%	-
漢中龍騰雅居房地產開發有限公司 Hanzhong Longteng Yaju Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB50,000,000	Property development/ Mainland China	-	100%	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
河南雅同置業有限公司 Henan Yatong Land Co., Ltd. (note (ii))	PRC/limited liability company	RMB209,402,000	Property development/ Mainland China	–	100%	–
海南雅海旅遊發展有限公司 Hainan Yahai Travel Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB646,073,000	Property development/ Mainland China	–	61%	39%
山西雅居晉明房地產開發有限公司 Shanxi Yaju Jinming Real Estate Development Co., Ltd. (note (ii))	PRC/limited liability company	RMB55,555,556	Property development/ Mainland China	–	82%	18%
合肥雅坤房地產開發有限公司 Hefei Yakun Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB125,000,000	Property development/ Mainland China	–	100%	–
佛山雅建房地產開發有限公司 Foshan Yajian Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB10,055,451	Property development/ Mainland China	–	100%	–
南京雅寧房地產開發有限公司 Nanjing Yaning Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB50,291,692	Property development/ Mainland China	–	100%	–
四川雅潤房地產開發有限公司 Sichuan Yarun Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	–	100%	–
天津市雅澤房地產開發有限公司 Tianjin Yaze Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB30,000,000	Property development/ Mainland China	–	100%	–
重慶雅灝房地產開發有限公司 Chongqing Yahao Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	–	100%	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
中山市雅軒房地產開發有限公司 Zhongshan Yaxuan Real Estate Development Co., Ltd. (note (ii))	PRC/limited liability company	RMB3,000,000	Property development/ Mainland China	-	100%	-
常州雅勁房地產開發有限公司 Changzhou Yajing Real Estate Development Co., Ltd. (note (ii))	PRC/limited liability company	RMB746,938,776	Property development/ Mainland China	-	100%	-
大理美詔房地產開發有限公司 Dali Meizhao Real Estate Development Co., Ltd. (note (ii))	PRC/limited liability company	RMB400,000,000	Property development/ Mainland China	-	100%	-
玉林市新濠環保科技有限公司 Yulin Xintao Eco Technology Co., Ltd. (note (ii))	PRC/limited liability company	RMB1,200,000,000	Property development/ Mainland China	-	100%	-
振中建設集團有限公司 Zhenzhong Construction Group Co., Ltd. (note (ii))	PRC/limited liability company	RMB3,030,000,000	Property development/ Mainland China	-	100%	-
廣州市雅豐建築材料有限公司 Guangzhou Yafeng Construction Material Co., Ltd. (note (ii))	PRC/limited liability company	RMB1,020,000,000	Property development/ Mainland China	-	100%	-
廣州市雅瑀園林工程有限公司 Guangzhou Yayue Landscape Engineering Co., Ltd. (note (ii))	PRC/limited liability company	RMB1,010,200,000	Property development/ Mainland China	-	100%	-
天津市天富房地產開發有限公司 Tianjin Tianfu Real Estate Development Co., Ltd. (note (ii) and note (iii))	PRC/limited liability company	RMB110,000,000	Property development/ Mainland China	-	48%	52%
重慶雅沛房地產開發有限公司 Chongqing Yapei Real Estate Development Co., Ltd. (note (ii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	-	100%	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 GENERAL INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:(Continued)

Name	Place of incorporation/ registration and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non- controlling interests (%)
成都雅頌房地產開發有限公司 Chengdu Yasong Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB824,576,531	Property development/ Mainland China	-	100%	-

#### Structured entity

#### Principal activities

The Company's Employee Share Trust      Purchasing, administrating and holding the Company's shares in respect of the Share Award Scheme (as defined in note 34) set up for the benefit of eligible employees

As the Company's Employee Share Trust was set up solely for the purpose of purchasing, administrating and holding the Company's shares in respect of the Share Award Scheme, the Company had the rights to variable returns from its involvement with the Employee Share Trust and had the ability to affect those returns through its power over the trust. The assets and liabilities of the Employee Share Trust were included in the Group's consolidated financial statements and the unvested shares held by the Employee Share Trust were previously presented as a deduction in equity as "Shares held for Share Award Scheme". The Share Award Scheme was terminated on 20 June 2023 in accordance with the rules relating to the Share Award Scheme and the relevant trust deed.

The above table lists the principal subsidiaries of the Group which, in the opinion of the Company's directors, principally affect the results and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

(i) A-Living is a company listed on the Main Board of the Hong Kong Stock Exchange. As at 31 December 2025, the Group held 34,573,000 (2024: 34,573,000) listed shares of A-Living, which were pledged as collateral for the exchangeable bonds issued by a subsidiary of the Company. In addition, as at 31 December 2025, certain listed shares of A-Living held by the Group were pledged as collateral for the bank borrowings of the Group.

As the Group has exposure or rights to variable returns from its involvement with A-Living and has the ability to affect the returns through its significant voting rights relative to the size and dispersion of holdings of other shareholders, the Group has practical ability to exercise control of A-Living and thus A-Living is regarded as a subsidiary of the Group.

(ii) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or are available.

(iii) The company is accounted for as a subsidiary of the Group because the Group owns more than half of the voting rights even though the equity interests in the entity attributable to the Group are less than 50%.

The equity interests in certain subsidiaries were pledged as at the end of the reporting period.

## 2.1 BASIS OF PREPARATION

### Going concern basis

During the year ended 31 December 2025, the Group recorded a net loss of RMB21,982,573,000. As at 31 December 2025, the Group had cash and bank balances (including restricted cash) of RMB5,579,191,000 and short-term borrowings of RMB38,734,277,000. As at 31 December 2025, the Group was in default of borrowings (the "Defaulted Borrowings") with a principal amount totalling RMB29,421,450,000 and interest totalling RMB1,304,601,000 because of non-payment at their respective due dates. Such default event also triggered cross-defaults of certain bank and other borrowings with an aggregate amount of RMB3,765,951,000 (the "Cross Defaulted Borrowings").

In addition, a winding-up petition (the "Petition") was filed by a company at the High Court of the Hong Kong Special Administrative Region (the "High Court") against the Company on 9 December 2025 in relation to certain alleged outstanding payment in the aggregate amount of US\$18,587,000 (equivalent to RMB130,644,000) and RMB2,347,000 respectively, arising from the arbitral award dated 25 September 2025 rendered by a China International Economic and Trade Arbitration Commission arbitral tribunal. At the hearing of the High Court on 2 March 2026, the High Court ordered the hearing of the Petition to be adjourned to 29 June 2026.

The above conditions indicate the existence of material uncertainties which cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, to restructure the existing borrowings and to oppose the Petition, including:

- (i) seeking legal advice from a legal adviser with a view to resolutely opposing the Petition and preventing it from being confirmed by the High Court, which may otherwise result in liquidation. The High Court has made an order on 2 March 2026 adjourning the hearing of the Petition to 29 June 2026;
- (ii) progressing the Group's restructuring of offshore borrowings, which involves reviewing its offshore debt profile, categorizing its offshore indebtedness, formulating a restructuring plan and engaging external financial and legal advisors to facilitate conversations with creditors of various classes to advance the restructuring process;
- (iii) negotiating with financial institutions on the refinancing of existing borrowings, the extension of maturity of borrowings, as well as new debt financing and bank borrowings at costs acceptable to the Group to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (iv) deploying measures to accelerate the pre-sale of properties and to speed up the collection of sales proceeds, which include a system to enable real-time monitoring and follow-up on high-risk receivables, an incentive scheme for receivables recovery to encourage employees to pursue and recover proceeds, weekly reviews of outstanding receivables, and ongoing negotiations to recover outstanding receivables;

## 2.1 BASIS OF PREPARATION (CONTINUED)

### Going concern basis (Continued)

- (v) adopting measures to actively control administrative costs and maintain containment of capital expenditures, including salary reductions; and
- (vi) actively seeking opportunities to dispose of non-core properties and businesses to generate cash flow, including through potential collaboration with local governments on commercial housing unit buy-back programs.

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

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to implement its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the its ability to generate adequate cash flow through following:

- (i) successfully obtaining continuing support from existing lenders for the Defaulted Borrowings and Cross Defaulted Borrowings to resolutely oppose the Petition and avoid the Petition being confirmed by High Court, which may otherwise result in liquidation.
- (ii) successful and timely completion of the restructuring of the Group's Defaulted Borrowings and the Group's ability to continue complying with the terms and conditions in the respective draft loan restructuring agreements.
- (iii) successful negotiation with the Group's existing lenders for the Defaulted Borrowings and Cross Defaulted Borrowings and reaching agreements with them for not taking any actions against the Group to exercise their right to demand immediate payment of the principals and interest of these borrowings.
- (iv) successful negotiation with the lenders for the renewal or extension for repayment of the Group's bank and other borrowings.
- (v) the Group's ability to accelerate the sales of properties by carrying out the Group's business strategy plan and to accelerate the collection of outstanding sales proceeds.
- (vi) successful and timely implementation of the plans to dispose of certain of its other assets, such as lands, equity interests in project development companies and timely collection of the proceeds.

## 2.1 BASIS OF PREPARATION (CONTINUED)

### Going concern basis (Continued)

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

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income ("FVOCI") and financial assets at fair value through profit or loss ("FVPL") which have been measured at fair value. These consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

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

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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

## 2.1 BASIS OF PREPARATION (CONTINUED)

### Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners 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 APPLICATION OF AMENDMENTS TO AN HKFRS ACCOUNTING STANDARD

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

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to an HKFRS Accounting Standard did not result in significant changes to the Group's accounting policies, presentation of the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. The Group has not early applied the following which may be relevant to the Group:

	<b>Effective for accounting periods beginning on or after</b>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	1 January 2026
<i>Amendments to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
<i>Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>HKFRS 18 — Presentation and Disclosure in Financial Statements</i>	1 January 2027
<i>HKFRS 19 — Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
<i>Amendments to HKAS 21 — Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
<i>Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards and amendments to standards are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

### ***HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

## 2.4 MATERIAL ACCOUNTING POLICIES

### Investments accounted for using the equity method

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

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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

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

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### **Business combinations and goodwill**

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

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

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

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

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 consolidated statement of 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 net 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 consolidated statement of 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.

### 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### **Business combinations and goodwill (Continued)**

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.

#### **Fair value measurement**

The Group measures its investment properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial liabilities 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.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Fair value measurement (Continued)

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 consolidated 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 consolidated 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.

### Impairment of non-financial assets

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

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

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

### 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### Impairment of non-financial assets (Continued)

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

#### Related parties

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

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Property, plant and equipment and depreciation

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

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

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

Buildings	10 to 30 years
Office equipment	5 to 10 years
Transportation equipment	4 to 10 years
Machinery	5 to 10 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 including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Investment properties

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

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

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

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with HKAS 16 *Property, Plant and Equipment*. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated statement of profit or loss.

### Properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Upon completion, the properties are transferred to completed properties held for sale.

The costs of properties under development and completed properties held for sale consist of land costs, construction expenditures, borrowing costs capitalised and other direct costs. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and cost to make the sale.

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

### Prepayments for acquisition of land use rights

Prepayments for acquisition of land use rights are classified as current assets when they are acquired for the future property development projects for sale. They are stated at the lower of cost and net realisable value.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Intangible assets (other than goodwill)

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

### Trademarks and licences

Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisations. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 5 to 20 years.

### Customer relationships and backlogs

Customer relationships and backlogs acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships and backlogs have a finite useful life and are carried at cost less accumulated amortisations. Amortisation is calculated using the straight-line method over the expected life of 2 to 20 years for the customer relationships and backlogs.

### Computer software

Computer software is stated at cost and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years. The useful life of software is determined mainly with reference to (i) maintenance expenditure required to obtain the expected future economic benefits from the software for continuous operations, (ii) expected usage required from the operations of the Group and the infrequent change of the software, (iii) product life cycles for the similar software used in the past, and (iv) the period of control over the software.

### Operating concessions

Operating concessions are capitalised on the basis of the costs incurred to build and operate water waste treatment plants and refuse-burning power plants. These costs are amortised over the shorter of their estimated useful lives and service concession period of 3 to 28 years.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Service concession arrangements

#### (a) Service concession arrangements under financial asset model

A financial asset (receivables under a service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the grantor for the construction services rendered. This right arises where the grantor has little or no discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users of the public service and the specified or determinable amounts. The financial asset (receivable under a service concession arrangement) is accounted for in accordance with the policy set out for financial assets measured at amortised cost.

During the construction period, the Group recognises a contract asset and accounts for the significant financing component in the arrangement. When the construction services are completed, the contract asset would be classified and measured as receivables under a service concession arrangement accordingly. The considerations for construction obligations performed will be accounted for as non-current assets during the construction period, except for the portion that are expected to be settled in the following year of operation period which will be reclassified as current contract assets.

When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial asset (if any) which will be used to reduce the carrying amount of financial receivables on the consolidated statement of financial position, (ii) interest income which will be recognised as revenue in profit or loss and (iii) revenue from infrastructure operation service in the profit or loss. Revenue from operating service is calculated based on cost plus a profit margin.

#### (b) Service concession arrangements under intangible asset model

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses and services. The intangible asset (operating concession) is accounted for in accordance with the policy set out for “intangible assets (other than goodwill)” above, which is amortised on a straight-line basis over the service concession period.

#### (c) Construction services

The fair value of the construction service under the concession arrangement is calculated as the estimated total construction cost plus a profit margin. The profit margins are valued by management of the Group, based on prevailing market rate applicable to similar construction services rendered on similar location at date of agreement.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Leases

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

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

#### (a) *Right-of-use assets*

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

Land use rights	40 to 70 years
Property, plant and equipment	1 to 28 years

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

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "properties under development and completed properties held for sale".

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### Group as a lessee (Continued)

##### (b) Lease liabilities

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for any leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

#### Group as a lessor

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

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

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Investments and other financial assets

#### Initial recognition and measurement

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

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

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

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

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

#### Subsequent measurement

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

##### *Financial assets at amortised cost (debt instruments)*

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

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Investments and other financial assets (Continued)

#### Subsequent measurement (Continued)

*Financial assets designated at fair value through other comprehensive income (equity investments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

*Financial assets at fair value through profit or loss*

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

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

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Derecognition of financial assets

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

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

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

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

### Impairment of financial assets

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

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Impairment of financial assets (Continued)

#### General approach

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Impairment of financial assets (Continued)

#### Simplified approach

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

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

#### Financial liabilities

##### Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, financial liabilities at fair value through profit or loss, and borrowings.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Financial liabilities (Continued)

#### Subsequent measurement

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

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the consolidated statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

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

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

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

##### *Financial guarantee contracts*

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Financial liabilities (Continued)

#### Subsequent measurement (Continued)

##### *Exchangeable bonds*

The fair value of the liability portion of an exchangeable bond is determined using a market interest rate for a non-exchangeable bond with similar terms. This amount is recorded as a liability on an amortised cost basis until conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion and redemption option. This is recognised and included in shareholders' equity and derivative liability according to the conversion feature embedded. Any directly attributable transaction costs are allocated to the liability and equity or derivative liability component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of an exchangeable bond is measured at amortised cost using the effective interest method. The equity component of an exchangeable bond is not re-measured subsequent to initial recognition except on conversion or expiry. The derivative liability component of a convertible bond is measured at fair value with changes in fair value recognised in profit or loss.

#### Derecognition of financial liabilities

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

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

#### 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.

#### Derivative financial instruments

##### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the consolidated statement of profit or loss.

#### Perpetual Capital Securities

Perpetual Capital Securities with no contractual obligation to repay their principal or to pay any distribution are classified as part of equity, as described in note 36 to the financial statements.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Inventories

#### Raw materials

Raw materials are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less any bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### Provisions

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

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

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

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

### Revenue recognition

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

#### (a) Sales of properties

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

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

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

##### (a) Sales of properties (Continued)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the construction costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

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

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Incremental costs incurred to obtain a contract with a customer are capitalised as contract acquisition costs if the Group expects to recover these costs. Costs of obtaining a contract are amortised when properties sales revenue is recognised.

##### (b) Property management services, value-added services, city sanitation and cleaning services

Revenue from property management services (including property management services under commission basis or lump sum basis) and value-added services (including pre-delivery services, household assistance services, property agency services and other services) is recognised when services are rendered.

For property management services and city sanitation and cleaning services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group entitles to revenue at the value of property management services and fees for city sanitation and cleaning services received or receivable. The revenue of the property management services is primarily generated from properties managed under lump sum basis.

For value-added services related to property management, revenue is recognised when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

(c) *Construction services*

Revenue from construction contracts satisfies the performance obligation over time, for the performance of construction contracts creates or enhances an asset that the customer controls as the asset is created or enhanced. The Group recognised revenue over time by reference to the progress towards complete satisfaction of that performance obligation. For the contracts being able to obtain direct measurement of the value or units delivered of work performed, the customers will provide a final statement when the whole project is completed and may have adjustments on accumulated confirmation according to the actual construction efforts or inputs to the satisfaction of the performance obligation, the Group calculated the cost allocation based on specific contracts.

(d) *Environmental protection*

Revenue arising from environmental protection is recognised in the accounting period in which environmental protection services are rendered.

(e) *Hotel operations*

Hotel revenue from room rentals, food and beverage sales and other ancillaries is recognised in the accounting period in which the services are rendered or when the food and beverage were received by customers.

(f) *Design service and project management service*

Revenue from design service and project management services is recognised progressively over time based on direct measurements of the values of services delivered or surveys of work performed.

#### Revenue from other sources

*Rental income*

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition (Continued)

#### Revenue from other sources (Continued)

##### *Other income*

(a) 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.

(b) Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Contract costs

Other than the costs which are capitalised as properties under development and completed properties held for sale, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the consolidated statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

### Costs to obtain a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained, e.g., commission to sales agents. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

### Share-based payments

The Company and A-Living operate a share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

### Other employee benefits

#### Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute 12% to 22% of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

#### Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual 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.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### Foreign currencies

These consolidated financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their consolidated statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Foreign currencies (Continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### *Going concern consideration*

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the directors, at a particular point in time, about the future outcome of events or conditions which are inherently uncertain. The directors of the Company consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that may individually or collectively cast significant doubt upon the going concern assumption, are set out in note 2.1 to the consolidated financial statements.

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### Judgements (Continued)

#### ***Deferred income tax assets***

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

The Group has tax losses of RMB21,870,511,000 (2024: RMB25,710,856,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Deferred tax assets have not been recognised in respect of deductible temporary differences amounting to RMB20,814,172,000 (2024: RMB7,045,360,000). Had the Group been able to recognise deferred tax assets for all these tax losses and deductible temporary differences, the consolidated loss would have decreased by RMB10,560,591,000 (2024: RMB8,078,474,000) and the Group's equity would have increased by the same amount. Further details on deferred taxes are disclosed in note 32 to the consolidated financial statements.

#### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### ***Provision for properties under development and completed properties held for sale***

Properties under development for sale and completed properties held for sale are stated at the lower of cost and net realisable value. The cost of each unit in each phase of development is determined using the weighted average method. The estimated net realisable value is the estimated selling price less cost to make the sale and the estimated cost of completion (if any), which are estimated based on past experience and prevailing market conditions as well as all available information. As at 31 December 2025, a cumulative provision for completed properties held for sale amounted to RMB8,143,075,000 (2024: RMB2,668,714,000) (note 23), and a cumulative provision for properties under development amounted to RMB4,888,711,000 (2024: RMB4,983,694,000) (note 22).

#### ***Impairment of goodwill***

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2025, accumulated impairment for goodwill amounted to RMB2,678,548,000 (2024: RMB2,521,987,000) (note 17).

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### Estimation uncertainty (Continued)

#### ***Estimation of fair value of investment properties***

Investment properties were revalued at each reporting date based on the appraised market value provided by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each reporting date.

#### ***Mainland China corporate income tax ("CIT") and Mainland China land appreciation tax ("LAT")***

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

The Group is subject to LAT in Mainland China which is levied at progressive rate ranging from 30% to 60% on the appreciation of land value. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will have impact on the land appreciation tax expense and the related provision in the period in which the differences realise.

The carrying amount of current income tax liabilities, including provision for CIT and LAT, at 31 December 2025 was RMB26,982,936,000 (2024: RMB24,808,173,000).

#### ***Expected credit losses on contract assets and trade and other receivables***

The management assesses on a forward-looking basis the expected credit losses associated with its contract assets and trade and other receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The allowances are applied to these contract assets and receivables where the expectation is different from the original estimate, such difference will impact the carrying amount of contract assets and trade and other receivables and impairment charge in the periods during which such estimate has been changed.

As at 31 December 2025, the provision for impairment of contract assets and trade receivables, and for other receivables amounted to RMB2,138,600,000 (2024: RMB1,724,499,000) and RMB6,232,028,000 (2024: RMB3,803,560,000), respectively.

## 4 OPERATING SEGMENT INFORMATION

The executive directors of the Company, which are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into three business segments: property development, property management and others. The associates and joint ventures of the Group are principally engaged in property development and property management and are included in the property development and property management segments, respectively.

- (a) Property development segment mainly comprises the business units involved in development and sales of properties.
- (b) Property management segment mainly comprises the business units involved in property management business and city sanitation and cleaning services operated by A-Living.
- (c) Others mainly comprise the business units involved in provision of property construction services, ecological landscaping services, intelligent home and decoration services, environmental protection service and commercial management services, each of which segments is less than 10% of the Group's consolidated revenue, and therefore separate segment information is not considered necessary.

The corresponding items of segment information for the prior year have been restated following to a change of structure of the Group's internal organisation that causes a change of the composition of its reportable segments in the current year.

As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable from the market in the Mainland China, and most of the non-current assets are located in Mainland China, disclosure of entity-wide geographical information for revenue and non-current assets is not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, being loss before income tax before deducting finance costs.

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties. Eliminations comprise inter-segment trade and non-trade balances. Pricing policy for inter-segment transactions is determined by reference to market prices.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, other intangible assets, properties under development, completed properties held for sale, investment properties, prepayment for acquisition of land use rights, receivables, contract assets and cash and bank balances. Unallocated assets comprise deferred income tax assets, prepaid income taxes, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets including assets from acquisition of subsidiaries during both years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 OPERATING SEGMENT INFORMATION (CONTINUED)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2025 and 2024 is as follows:

#### Year ended 31 December 2025

	Note	Property development RMB'000	Property management RMB'000	Others RMB'000	Group RMB'000
Gross segment sales		12,728,839	12,892,450	2,306,074	27,927,363
Inter-segment sales		–	(66,116)	(2,018)	(68,134)
Sales to external customers		12,728,839	12,826,334	2,304,056	27,859,229
Fair value losses on investment properties	15	–	–	(518,722)	(518,722)
Operating (losses)/profits		(13,121,612)	361,430	(2,216,734)	(14,976,916)
Share of losses and profits of investments accounted for using the equity method	19	(166,295)	45,938	(4,602)	(124,959)
<b>Segment result</b>		<b>(13,287,907)</b>	<b>407,368</b>	<b>(2,221,336)</b>	<b>(15,101,875)</b>
Finance costs, net	8				(478,303)
Loss before income tax					(15,580,178)
Income tax expenses	11				(6,402,395)
Loss for the year					(21,982,573)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 OPERATING SEGMENT INFORMATION (CONTINUED)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2025 and 2024 is as follows: (Continued)

#### Year ended 31 December 2025 (Continued)

	Note	Property development RMB'000	Property management RMB'000	Others RMB'000	Group RMB'000
Other segment information:					
Depreciation and amortisation	7	109,293	364,967	435,429	909,689
Provisions for properties under development and completed properties held for sale	7	5,526,327	–	–	5,526,327
Net impairment losses on financial and contract assets	7	1,456,165	413,629*	245,080	2,114,874
Impairment of goodwill	7	–	–	156,561	156,561
Impairment of property, plant and equipment	7	–	–	527,831	527,831
Impairment losses on investments accounted for using the equity method	7	727,355	–	–	727,355
Net fair value losses on financial assets at fair value through profit or loss	6, 7	–	13,900	200,172	214,072
Losses from disposal/derecognition of subsidiaries	7	2,392,672	3,470	499,974	2,896,116
Losses from disposal of joint ventures and associates	7	–	34,885	228,620	263,505
Losses on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets	7	70,623	31,588	40,437	142,648

\* The amount excluded the intercompany elimination items between A-Living and other subsidiaries of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 OPERATING SEGMENT INFORMATION (CONTINUED)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2025 and 2024 is as follows: (Continued)

#### Year ended 31 December 2024

	Note	Property development <i>RMB'000</i>	Property management <i>RMB'000</i> (Restated)	Others <i>RMB'000</i> (Restated)	Group <i>RMB'000</i>
Gross segment sales		26,552,129	13,942,421	3,119,204	43,613,754
Inter-segment sales		–	(267,869)	–	(267,869)
Sales to external customers		26,552,129	13,674,552	3,119,204	43,345,885
Fair value losses on investment properties	15	–	–	(476,634)	(476,634)
Operating (losses)/profits		(8,245,153)	17,843	(2,982,656)	(11,209,966)
Share of losses and profits of investments accounted for using the equity method	19	(668,814)	17,682	(2,533)	(653,665)
<b>Segment result</b>		(8,913,967)	35,525	(2,985,189)	(11,863,631)
Finance costs, net	8				(649,437)
Loss before income tax					(12,513,068)
Income tax expenses	11				(5,025,948)
Loss for the year					(17,539,016)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 OPERATING SEGMENT INFORMATION (CONTINUED)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2025 and 2024 is as follows: (Continued)

#### Year ended 31 December 2024 (Continued)

	Note	Property development RMB'000	Property management RMB'000 (Restated)	Others RMB'000 (Restated)	Group RMB'000
<u>Other segment information:</u>					
Depreciation and amortisation	7	128,529	393,429	534,878	1,056,836
Provisions for properties under development and completed properties held for sale	7	1,398,559	–	–	1,398,559
Net impairment losses on financial and contract assets	7	1,040,471	856,571*	232,714	2,129,756
Impairment of goodwill	7	–	246,206	361,422	607,628
Impairment of property, plant and equipment	7	–	–	1,695,892	1,695,892
Impairment losses on investments accounted for using the equity method	7	20,199	–	–	20,199
Net fair value losses/(gains) on financial assets at fair value through profit or loss	7	–	3,238	(678,743)	(675,505)
Losses from disposal/ derecognition of subsidiaries	7	1,458,781	103,986	406,632	1,969,399
Losses/(gains) from disposal of joint ventures and associates	7	710,678	127,602	(13,356)	824,924
Losses on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets	7	69,133	6,900	2,156	78,189

\* The amount excluded the intercompany elimination items between A-Living and other subsidiaries of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities and capital expenditure as at 31 December 2025 are as follows:

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Elimination <i>RMB'000</i>	Group <i>RMB'000</i>
Segment assets	109,132,740	18,119,569	60,178,358	(23,670,218)	163,760,449
Unallocated assets					7,699,614
<b>Total assets</b>					<b>171,460,063</b>
Segment assets include: Investments accounted for using the equity method (note 19)	16,221,082	1,070,659	263,295	–	17,555,036
Segment liabilities	23,813,373	7,976,635	69,083,080	(23,670,218)	77,202,870
Unallocated liabilities					76,304,091
<b>Total liabilities</b>					<b>153,506,961</b>
Capital expenditure <sup>#</sup>	36,450	196,525	308,089	–	541,064

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities and capital expenditure as at 31 December 2024 are as follows:

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Elimination <i>RMB'000</i>	Group <i>RMB'000</i>
Segment assets	125,901,326	17,127,594	65,236,834	(24,634,496)	183,631,258
Unallocated assets					11,864,272
<b>Total assets</b>					<b>195,495,530</b>
Segment assets include:					
Investments accounted for using the equity method (note 19)	18,826,511	1,105,188	612,662	–	20,544,361
Segment liabilities	24,310,225	7,243,126	71,806,993	(24,634,496)	78,725,848
Unallocated liabilities					76,490,646
<b>Total liabilities</b>					<b>155,216,494</b>
Capital expenditure <sup>#</sup>	997,695	158,983	469,639	–	1,626,317

#### Non-current assets

As at 31 December 2025 and 2024, non-current assets of the Group were mainly located in Mainland China.

#### Information about a major customer

During the current and prior years, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

<sup>#</sup> Capital expenditure consists of addition to property, plant and equipment, investment properties, right-of-use assets and other intangible assets including assets from the acquisition of subsidiaries.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5 REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
<i>Revenue from contracts with customers</i>		
Sales of properties	12,728,839	26,552,129
Property management services	12,826,334	13,674,552
Others	2,132,601	2,893,307
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	171,455	225,897
Total	27,859,229	43,345,885

#### Revenue from contracts with customers

##### (a) Disaggregated revenue information

Year ended 31 December 2025

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Group <i>RMB'000</i>
Types of goods and services:				
Sales of properties	12,728,839	–	–	12,728,839
Property management services	–	12,826,334	–	12,826,334
Others	–	–	2,132,601	2,132,601
Total	12,728,839	12,826,334	2,132,601	27,687,774
Timing of revenue recognition:				
At a point in time	12,610,653	67,595	1,156,102	13,834,350
Over time	118,186	12,758,739	976,499	13,853,424
Total	12,728,839	12,826,334	2,132,601	27,687,774

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5 REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

#### Revenue from contracts with customers (Continued)

##### (a) Disaggregated revenue information (Continued)

Year ended 31 December 2024

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i> (Restated)	Others <i>RMB'000</i> (Restated)	Group <i>RMB'000</i>
Types of goods and services:				
Sales of properties	26,552,129	–	–	26,552,129
Property management services	–	13,674,552	–	13,674,552
Others	–	–	2,893,307	2,893,307
<b>Total</b>	<b>26,552,129</b>	<b>13,674,552</b>	<b>2,893,307</b>	<b>43,119,988</b>
Timing of revenue recognition:				
At a point in time	25,998,888	153,817	1,024,020	27,176,725
Over time	553,241	13,520,735	1,869,287	15,943,263
<b>Total</b>	<b>26,552,129</b>	<b>13,674,552</b>	<b>2,893,307</b>	<b>43,119,988</b>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
Sales of properties	<b>9,258,035</b>	16,669,057
Property management	<b>1,407,286</b>	1,533,834
<b>Total</b>	<b>10,665,321</b>	18,202,891

## 5 REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

### Revenue from contracts with customers (Continued)

#### (b) Performance obligations

Information about the Group's performance obligations is summarised below:

##### *Sales of properties*

For property sales contracts, revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time.

##### *Property construction services*

For construction contracts, revenue is recognised over time, the performance obligation is satisfied for the performance of construction contracts creates or enhances an asset that the customer controls as the asset is created or enhanced.

##### *Property management services, value-added services, city sanitation and cleaning services*

The performance obligation is satisfied when services are rendered. For property management services and city sanitation and cleaning services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. For value-added services related to property management, revenue is recognised when the services are rendered, payment of the transaction is due immediately when the services are rendered to the customer.

##### *Environmental protection services, sewage and reclaimed water treatment services.*

Depending on the terms of the contract, the performance obligation is satisfied over time or at a point in time when services are rendered.

The amounts of unsatisfied performance obligation were approximately the same as the balances of contract liabilities as of 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5 REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

An analysis of other income and gains, net is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Interest income	<b>50,985</b>	148,404
Interest income from related parties	<b>3,604</b>	6,517
Government grants (note (a))	<b>81,818</b>	64,556
Miscellaneous	<b>3,733</b>	11,145
<b>Total other income</b>	<b>140,140</b>	230,622
Other gains, net		
Gains from bargain purchase of subsidiaries (note 38)	–	16,144
Exchange gains, net (note (b))	<b>107,206</b>	28,169
Net fair value gains on financial assets at fair value through profit or loss	–	675,505
Gain on debt restructuring	–	145,550
Miscellaneous	<b>9,007</b>	86,364
<b>Total other gains, net</b>	<b>116,213</b>	951,732
<b>Total other income and gains, net</b>	<b>256,353</b>	1,182,354

(a) Government grants consisted mainly of financial subsidies granted by local governments. There were no unfulfilled or contingent conditions attaching to the government grants recognised for the years ended 31 December 2025 and 2024.

(b) Amounts do not include the exchange gain or loss related to borrowings which are included in the “finance costs, net” (note 8).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6 OTHER EXPENSES

An analysis of other expenses is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Fair value losses on investment properties (note 15)	<b>518,722</b>	476,634
Net fair value losses on financial assets at fair value through profit or loss	<b>214,072</b>	–
Remeasurement losses resulting from transfer of a joint venture and an associate to subsidiaries (note 19)	–	14,706
Losses from disposal of joint ventures and associates (note 19)	<b>263,505</b>	824,924
Losses on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets	<b>142,648</b>	78,189
Compensation expenses	<b>126,944</b>	140,638
Miscellaneous	<b>437,037</b>	731,842
Total	<b>1,702,928</b>	2,266,933

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7 LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging/(crediting):

	Note	2025 RMB'000	2024 RMB'000
Cost of properties sold		19,456,851	29,466,118
Cost of inventories consumed		1,736,906	1,922,981
Depreciation of property, plant and equipment	14	601,308	696,122
Depreciation of right-of-use assets	16	100,762	142,353
Amortisation of other intangible assets	18	207,619	218,361
Auditors' remuneration		8,843	12,530
Employees' benefits costs (including directors' emoluments)			
– Wages, salaries and bonuses		4,623,250	5,244,295
– Pension scheme contributions***		693,761	634,083
– Others		314,692	391,581
<b>Total</b>		<b>5,631,703</b>	<b>6,269,959</b>
Net fair value losses/(gains) on financial assets at fair value through profit or loss	5,6,21	214,072	(675,505)
Provisions for properties under development and completed properties held for sale**	22,23	5,526,327	1,398,559
Impairment of goodwill*	17	156,561	607,628
Impairment of property, plant and equipment	14	527,831	1,695,892
Net impairment losses on financial and contract assets	25	2,114,874	2,129,756
Impairment losses on investments accounted for using the equity method	19	727,355	20,199
Losses from disposal/derecognition of subsidiaries	39	2,896,116	1,969,399
Losses from disposal of joint ventures and associates	19	263,505	824,924
Losses on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets		142,648	78,189
Fair value losses on investment properties	15	518,722	476,634
Short-term and low-value assets lease expenses	16(c)	108,796	130,405
Charitable donations		35	1,065
Professional fee		139,587	244,128

\* The impairment of goodwill is included in "Administrative expenses" in the consolidated statement of profit or loss.

\*\* Provisions for properties under development and completed properties held for sale were related to a decrease in estimated market prices of properties and is included in "Cost of sales" in the consolidated statement of profit or loss.

\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8 FINANCE COSTS, NET

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expense:		
– Bank borrowings, syndicated loans and other borrowings	<b>2,182,885</b>	2,900,194
– Senior notes and exchangeable bonds	<b>1,108,234</b>	1,071,933
– PRC Corporate Bonds, CMBS and MTN (as defined in note 31)	<b>295,279</b>	346,660
– Lease liabilities	<b>3,935</b>	12,328
Exchange (gains)/losses from borrowings	<b>(565,027)</b>	461,942
Subtotal	<b>3,025,306</b>	4,793,057
Less: Interest and exchange losses capitalised (note)	<b>(2,547,003)</b>	(4,141,959)
Changes in fair value of derivative financial instruments	–	(1,661)
Total	<b>478,303</b>	649,437

Note: The capitalisation interest rate of borrowings was 7.70% for the year ended 31 December 2025 (2024: 8.78%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9 DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Fees	3,372	10,116
Other emoluments		
– Salaries	1,152	2,092
– Housing allowance and contribution to a retirement benefit scheme	34	34
Subtotal	1,186	2,126
Total	4,558	12,242

The remuneration of each director for the year ended 31 December 2025 is set out below:

Name of director	Fees <i>RMB'000</i>	Salaries <i>RMB'000</i>	Housing allowance and contribution to a retirement benefit scheme <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Executive directors:</b>				
Mr. Chen Zhuo Lin	1,107	–	17	1,124
Mr. Huang Fengchao*	132	576	–	708
Madam Yue Yuan	184	576	17	777
<b>Non-executive directors:</b>				
Mr. Chan Cheuk Hung**	667	–	–	667
Mr. Chan Cheuk Hei	184	–	–	184
Mr. Chan Cheuk Nam	184	–	–	184
<b>Independent non-executive directors:</b>				
Mr. Kwong Che Keung, Gordon	365	–	–	365
Mr. Hui Chiu Chung, Stephen	365	–	–	365
Dr. Peng Shuolong	184	–	–	184
Total	3,372	1,152	34	4,558

\* Mr. Huang Fengchao resigned as an executive director of the company on 19 September 2025.

\*\* Mr. Chan Cheuk Hung has been re-designated from an executive director to a non-executive director of the Company on 11 July 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9 DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (CONTINUED)

The remuneration of each director for the year ended 31 December 2024 is set out below:

Name of director	Fees RMB'000	Salaries RMB'000	Housing allowance and contribution to a retirement benefit scheme RMB'000	Total RMB'000
<b>Executive directors:</b>				
Mr. Chen Zhuo Lin	4,120	–	17	4,137
Mr. Chan Cheuk Hung	2,939	–	–	2,939
Mr. Huang Fengchao	384	612	–	996
Madam Yue Yuan**	–	1,480	17	1,497
<b>Non-executive directors:</b>				
Mr. Chan Cheuk Hei	384	–	–	384
Mr. Chan Cheuk Nam	384	–	–	384
<b>Independent non-executive directors:</b>				
Dr. Cheng Hon Kwan*	462	–	–	462
Mr. Kwong Che Keung, Gordon	481	–	–	481
Mr. Hui Chiu Chung, Stephen	481	–	–	481
Dr. Peng Shuolong	481	–	–	481
<b>Total</b>	<b>10,116</b>	<b>2,092</b>	<b>34</b>	<b>12,242</b>

\* Dr. Cheng Hon Kwan resigned as an independent non-executive director of the Company on 18 December 2024.

\*\* Madam. Yue Yuan was appointed as an executive director of the Company on 18 December 2024.

### 9 DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (CONTINUED)

During the years ended 31 December 2025 and 2024, no emolument was paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of offices.

No other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertakings during the year ended 31 December 2025 (2024: Nil).

During the years ended 31 December 2025 and 2024, there was no additional retirement benefit received by the directors except for the attribution to a retirement benefit scheme as disclosed above.

During the years ended 31 December 2025 and 2024, there was no termination benefit received by the directors.

During the years ended 31 December 2025 and 2024, no consideration was paid for making available the services of the directors of the Company.

During the years ended 31 December 2025 and 2024, there was no loan, quasi-loan and other dealing entered into by the Company or its subsidiaries undertakings, where applicable, in favour of directors of the Company.

Save for the transactions disclosed in note 44(b)(i), no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10 FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one directors (2024: three), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the four (2024: two) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries	5,170	4,141
Contribution to pension scheme	170	34
Total	<b>5,340</b>	4,175

The numbers of non-director and non-chief executive officer highest paid employees whose remuneration fell within the following bands are as follows:

	<b>Number of individuals</b>	
	<b>2025</b>	2024
HK\$1,000,001 to HK\$1,500,000	2	–
HK\$1,500,001 to HK\$2,000,000	2	–
HK\$2,000,001 to HK\$2,500,000	–	2

During the years ended 31 December 2025 and 2024, no emolument was paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

### 11 INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made for the years ended 31 December 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong during the years.

Mainland China corporate income tax has been provided at the rate of 25% for the year ended 31 December 2025 (2024: 25%). Dividend distribution made by Mainland China subsidiaries, joint ventures and associates to shareholders outside of Mainland China in respect of their profits earned after 1 January 2008 is subject to withholding income tax at tax rates of 5% or 10%, where applicable.

Certain subsidiaries of the Group obtained the Certificate of High-New Technical Enterprise. According to the Corporate Income Tax Law of the Mainland China (the "CIT Law"), corporations which obtain the Certificate of High-New Technical Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential corporate income tax rate of 15%. The tax rate applicable to these companies during the year ended 31 December 2025 was 15% (2024: 15%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11 INCOME TAX EXPENSES (CONTINUED)

Certain subsidiaries of the Group have enjoyed a preferential policy in Zhuhai Hengqin (Free Trade Area) with an enterprise income tax rate of 15% during the year ended 31 December 2025 (2024: 15%).

Certain subsidiaries of the Group in the Mainland China are located in western cities, and they are subject to a preferential income tax rate of 15% (2024: 15%).

Certain subsidiaries of the Group in the Mainland China provide environmental protection services and these companies enjoy the policy of “three exemption and three half corporate income tax”. Such subsidiaries are not subject to CIT for the first three years since the year when the relevant subsidiaries generating revenue, and the relevant subsidiaries are subject to a preferential income tax rate of 12.5% for the next three years.

Certain subsidiaries of the Group in the Mainland China are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% in certain years (2024:15%).

Certain subsidiaries of the Group enjoy the preferential income tax treatment for Small and Micro Enterprise with the income tax rate of 20% and are eligible to have their tax calculated based on 25% or 50% of their taxable income.

Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax:		
Corporate income tax	381,096	1,899,209
Mainland China land appreciation tax	4,595,668	3,652,907
Subtotal	4,976,764	5,552,116
Deferred income tax (note 32)	1,425,631	(526,168)
Income tax expenses	6,402,395	5,025,948

## 11 INCOME TAX EXPENSES (CONTINUED)

A reconciliation of the tax expense/(charge) applicable to loss before income tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before income tax	<b>(15,580,178)</b>	(12,513,068)
Less: Share of losses and profits of investments accounted for using the equity method	<b>124,959</b>	653,665
	<b>(15,455,219)</b>	(11,859,403)
Tax calculated at domestic tax rates applicable to profits in the respective regions	<b>(3,336,132)</b>	(3,007,545)
Tax effect of super deduction items	<b>(5,672)</b>	(8,429)
Tax losses for which no deferred income tax asset was recognised	<b>1,926,389</b>	2,598,732
Income not subject to tax	<b>(26,801)</b>	(9,706)
Expenses not deductible for tax	<b>955,659</b>	915,690
Deductible temporary differences not recognised	<b>3,442,204</b>	1,761,339
Withholding tax on dividend income from Mainland China	–	36,187
LAT provided	<b>4,595,668</b>	3,652,907
Tax effect of LAT	<b>(1,148,920)</b>	(913,227)
Income tax charged for the year	<b>6,402,395</b>	5,025,948

### Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the 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 in certain jurisdictions in which the Group operates, including Hong Kong, became effective for the Group's financial year beginning 1 January 2025.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbour for all the jurisdictions in which the Group operates. The Group does not expect 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12 DIVIDENDS

The Board did not propose any interim or final dividend during the years ended 31 December 2025 and 2024.

### 13 LOSS PER SHARE

The calculation of the basic and diluted loss per share amounts is based on the loss for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares of 5,046,048,000 (2024: 5,046,048,000) outstanding during the year ended 31 December 2025.

The calculations of basic and diluted loss per share are based on:

	2025	2024
Loss attributable to shareholders of the Company (RMB'000)	(22,568,987)	(17,216,324)
Weighted average number of ordinary shares outstanding ('000)	5,046,048	5,046,048
Basic and diluted loss per share (RMB per share)	(4.473)	(3.412)

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 14 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Office equipment RMB'000	Transportation equipment RMB'000	Machinery RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Year ended 31 December 2025</b>						
<b>At 1 January 2025</b>	5,660,370	43,942	131,869	1,411,453	3,236,596	10,484,230
Additions	21,432	18,441	21,014	73,153	273,364	407,404
Transfer from completed construction projects	206,529	787	–	1,781	(209,097)	–
Disposals	(54,290)	(2,049)	(25,283)	(71,429)	(2,849)	(155,900)
Disposal of subsidiaries (note 39)	(12,058)	(312)	(112)	(540)	(1,227,810)	(1,240,832)
Depreciation	(269,459)	(22,214)	(52,663)	(256,972)	–	(601,308)
Impairment charge	(110,875)	–	–	–	(416,956)	(527,831)
At 31 December 2025	5,441,649	38,595	74,825	1,157,446	1,653,248	8,365,763
<b>At 31 December 2025</b>						
Cost	9,540,204	304,358	269,142	2,785,861	2,108,281	15,007,846
Accumulated depreciation	(2,805,378)	(258,183)	(192,403)	(1,129,350)	–	(4,385,314)
Accumulated impairment loss	(1,293,177)	(7,580)	(1,914)	(499,065)	(455,033)	(2,256,769)
Net carrying amount	5,441,649	38,595	74,825	1,157,446	1,653,248	8,365,763
<b>Year ended 31 December 2024</b>						
<b>At 1 January 2024</b>	6,384,666	73,092	137,262	1,878,268	4,519,819	12,993,107
Additions	341,530	15,098	38,548	55,672	1,139,897	1,590,745
Revaluation surplus upon transfer (note b)	190,540	–	–	–	–	190,540
Acquisition of subsidiaries (note 38)	–	49	144	15	–	208
Transfer from completed construction projects	866,250	342	542	371,109	(1,238,243)	–
Transfer to investment properties (note 15)	(460,000)	–	–	–	–	(460,000)
Disposals	(59,372)	(1,333)	(5,267)	(45,910)	(1,106,073)	(1,217,955)
Disposal of subsidiaries (note 39)	(73,109)	(7,003)	(1,384)	(65,132)	(73,773)	(220,401)
Depreciation	(347,750)	(28,806)	(36,062)	(283,504)	–	(696,122)
Impairment charge	(1,182,385)	(7,497)	(1,914)	(499,065)	(5,031)	(1,695,892)
At 31 December 2024	5,660,370	43,942	131,869	1,411,453	3,236,596	10,484,230
<b>At 31 December 2024</b>						
Cost	9,393,827	299,246	339,072	2,848,613	3,274,673	16,155,431
Accumulated depreciation	(2,551,072)	(247,724)	(205,289)	(938,095)	–	(3,942,180)
Accumulated impairment loss	(1,182,385)	(7,580)	(1,914)	(499,065)	(38,077)	(1,729,021)
Net carrying amount	5,660,370	43,942	131,869	1,411,453	3,236,596	10,484,230

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) As at 31 December 2025, buildings and machinery with net carrying value of RMB2,498,436,000 (2024: RMB3,702,427,000) were pledged as collateral for the Group's borrowings (note 31).
- (b) During the year ended 31 December 2024, an office building of RMB460,000,000 was transferred to investment property on the inception of an operating lease. A revaluation surplus of RMB190,540,000 on the date transferred has arisen, among which the corresponding revaluation surplus net of tax of RMB142,905,000 was recorded in other comprehensive income and deferred income tax liabilities of RMB47,635,000 were recorded in the consolidated statement of financial position, respectively.
- (c) Buildings mainly represent the office buildings and hotel buildings. Constructions in progress mainly represent construction costs and other costs incurred for the construction of environmental factories and machinery.
- (d) As at 31 December 2025, due to the downturn of property development market in Mainland China, the Group performed an impairment test on certain cash-generating units which engaged in environmental protection business in Mainland China and belongs to "Other segment". The recoverable amounts of the cash-generating units were minimal compared to their carrying amount which were determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management. As a result of the impairment assessment, impairment losses of RMB527,831,000 (2024: RMB1,695,892,000) was recognised.

### 15 INVESTMENT PROPERTIES

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Carrying amount at 1 January	<b>9,278,334</b>	9,585,752
Additions	<b>83,147</b>	673
Transfer from property, plant and equipment (note 14)	–	460,000
Fair value losses recognised in profit or loss (note 6)	<b>(518,722)</b>	(476,634)
Disposals	<b>(14,413)</b>	(291,457)
Carrying amount at 31 December	<b>8,828,346</b>	9,278,334

## 15 INVESTMENT PROPERTIES (CONTINUED)

The Group's investment properties consist of completed office buildings, hotels, retail shops and car parks located in Mainland China and are held on lease of between 40 and 70 years. The Group's investment properties were valued at 31 December 2025 by an independent professionally qualified valuers and management's internal valuation team. For all investment properties, their current use equates to the highest and best use.

As at 31 December 2025 and 2024, all of the Groups investment properties were measured within Level 3 of the fair value hierarchy as the valuations were arrived at by reference to certain significant unobservable inputs. There was no transfer between Levels 1, 2 and 3 during the year (2024: Nil).

Fair values of office buildings, hotels, retail shops and car parks are generally derived using the income capitalisation method or the direct comparison approach.

The adoption of the income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers, view of recent lettings, within the subject properties and other comparable properties.

The adoption of the direct comparison approach assumes the sale of each of these properties in its existing state with the benefit of vacant possession. By taking reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the internal valuation team and the independent valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15 INVESTMENT PROPERTIES (CONTINUED)

Any changes in Level 2 and 3 fair values are analysed at each reporting date during the bi-annual valuation discussions between the executive directors and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

Most of the investment properties are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

As at 31 December 2025, investment properties of RMB5,737,007,000 (2024: RMB5,953,721,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings (note 31).

During the year ended 31 December 2025, no investment properties were transferred from property, plant and equipment.

During the year ended 31 December 2024, certain retail shops were transferred from property, plant and equipment to investment properties.

Below is a summary of the valuation techniques of Level 3 valuation used and the key inputs to the valuation of investment properties:

Description	Location	Fair value as at 31 December 2025 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Offices, hotels, car parks and retail shops	Mainland China	2,927,017	Income capitalisation	Term yields Reversionary yields Market rents (RMB/square metre/ month)	4.8%~5.5% 5.0%~5.5% 41~1,000
Offices, car parks and retail shops	Mainland China	5,901,329	Direct comparison method	Market price (RMB/square metre)	5,100~156,100

Description	Location	Fair value as at 31 December 2024 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Offices, hotels and retail shops	Mainland China	3,373,400	Income capitalisation	Term yields Reversionary yields Market rents (RMB/square metre/ month)	3.5%~5.0% 4.0%~5.5% 36~879
Offices, car parks and retail shops	Mainland China	5,904,934	Direct comparison method	Market price (RMB/square metre)	1,008~174,800

## 15 INVESTMENT PROPERTIES (CONTINUED)

There are inter-relationships between unobservable inputs.

For office buildings, hotels, car parks and retail shops, increase/(decrease) in term yields and reversionary yields may result in decrease/(increase) of fair value. Increase/(decrease) in market rent may result in increase/(decrease) of fair value.

For office buildings, retail shops and car parks, increase/(decrease) in market price may result in increase/(decrease) in fair value.

During the year ended 31 December 2025, the valuation techniques for certain office buildings and car parks were changed from income capitalisation method to direct comparison method, and the valuation techniques for other investment properties remained unchanged.

The amounts recognised in profit or loss for investment properties are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Rental income	<b>171,455</b>	225,897
Direct operating expenses that related to rental income	<b>(114,151)</b>	(142,135)
Direct operating expenses of investment properties that did not generate rental income	<b>(35,575)</b>	(3,201)
Total	<b>21,729</b>	80,561

## 16 LEASES

### The Group as a lessee

The Group has lease contracts for various items of land use rights and buildings, equipment and other assets. Land use rights represent land lease arrangements with Mainland China government which are held for self use. Rental contracts are typically made for fixed periods of 1 year to 70 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes except for those with land use right certificates. At 31 December 2025, certain land use rights with a net carrying amount of approximately RMB1,313,778,000 (2024: RMB1,578,431,000) were pledged to secure the Group's borrowings (note 31).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16 LEASES (CONTINUED)

#### The Group as a lessee (Continued)

##### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	<b>Land use rights RMB'000</b>	<b>Property, plant and equipment ** RMB'000</b>	<b>Total RMB'000</b>
At 1 January 2025	2,074,592	77,203	2,151,795
Additions	–	43,332	43,332
Early termination	(5,284)	(7,674)	(12,958)
Disposal of subsidiaries (note 39)	(90,867)	–	(90,867)
Depreciation*	(63,467)	(46,200)	(109,667)
At 31 December 2025	<b>1,914,974</b>	<b>66,661</b>	<b>1,981,635</b>
At 1 January 2024	2,187,379	422,359	2,609,738
Additions	6,862	20,867	27,729
Acquisition of a subsidiary (note 38)	–	322	322
Early termination	(50,805)	(271,819)	(322,624)
Disposal of subsidiaries (note 39)	(2,884)	(8,780)	(11,664)
Depreciation*	(65,960)	(85,746)	(151,706)
At 31 December 2024	2,074,592	77,203	2,151,795

\* RMB8,905,000 (2024: RMB9,353,000) among the depreciation of land use rights was capitalised to construction in progress.

\*\* As at 31 December 2025, included in property, plant and equipment were buildings amounting to RMB47,318,000 (2024: RMB53,467,000) and equipment amounting to RMB19,343,000 (2024: RMB23,736,000).

## 16 LEASES (CONTINUED)

### The Group as a lessee (Continued)

#### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount at 1 January	79,344	251,033
New leases	43,332	20,867
Acquisition of a subsidiary (note 38)	–	361
Early termination	(13,863)	(110,077)
Accretion of interest recognised during the year	3,935	12,328
Disposal of subsidiaries (note 39)	(4)	(9,123)
Payments	(55,692)	(86,045)
Carrying amount at 31 December	57,052	79,344
Analysed into:		
Current portion	31,416	57,797
Non-current portion	25,636	21,547

The maturity analysis of lease liabilities is disclosed in note 47(d) to the consolidated financial statements.

#### (c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	3,935	12,328
Depreciation charge of right-of-use assets (note 7)	100,762	142,353
Expense relating to short-term leases and leases of low-value assets (included in cost of goods sold, selling and marketing costs and administrative expenses) (note 7)	108,796	130,405
(Gains)/losses on early termination of leases	(15,433)	4,364
Total amount recognised in profit or loss	198,060	289,450

#### (d) The total cash outflow for leases is disclosed in note 40(iii) to the consolidated financial statements.

## 16 LEASES (CONTINUED)

### The Group as a lessor

The Group leases its investment properties (note 15) including office units, hotels, retail shops and car parks in the Mainland China under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB171,455,000 (2024: RMB225,897,000).

At 31 December 2025 and 2024, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	<b>21,697</b>	21,702
After one year but within two years	<b>19,697</b>	21,701
After two years but within three years	<b>22,893</b>	19,701
After three years but within four years	<b>22,407</b>	22,898
After four years but within five years	<b>2,743</b>	22,412
After five years	<b>6,170</b>	8,916
<b>Total</b>	<b>95,607</b>	117,330

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 17 GOODWILL

	<i>RMB'000</i>
At 1 January 2024:	
Cost	5,521,864
Accumulated impairment	(2,116,870)
Net carrying amount	3,404,994
Cost at 1 January 2024, net of accumulated impairment	3,404,994
Addition (note 38)	618
Disposal of subsidiaries (note 39)	(89,565)
Impairment during the year	(607,628)
Net carrying amount at 31 December 2024	2,708,419
At 31 December 2024:	
Cost	5,230,406
Accumulated impairment	(2,521,987)
Net carrying amount	2,708,419
Cost at 1 January 2025, net of accumulated impairment	<b>2,708,419</b>
Disposal of subsidiaries (note 39)	<b>(8,420)</b>
Impairment during the year	<b>(156,561)</b>
Net carrying amount at 31 December 2025	<b>2,543,438</b>
At 31 December 2025:	
Cost	<b>5,221,986</b>
Accumulated impairment	<b>(2,678,548)</b>
Net carrying amount	<b>2,543,438</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17 GOODWILL (CONTINUED)

Goodwill as at 31 December 2025 and 2024 was related to the following operations or cash-generating units ("CGUs"):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Property management	2,543,438	2,551,858
Environmental protection	–	156,561
<b>Total</b>	<b>2,543,438</b>	<b>2,708,419</b>

The Group performed an impairment assessment on the goodwill as at 31 December 2025. The recoverable amount of the property management and environmental protection operated by the acquired subsidiaries has been assessed by the independent valuers or the management and determined based on value-in-use ("VIU") calculations. The calculations used cash flow projections based on financial budgets covering a five-year period approved by the management.

The following table sets forth each key assumption on which the management has based its cash flow projections to undertake impairment testing of goodwill as at 31 December 2025 and 2024:

	Property management companies	Environmental protection companies
<b>As at 31 December 2025</b>		
Compound annual growth rate of revenue during the projection period	0% to 7%	-3% to 6%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period	6% to 31%	19% to 33%
Long term growth rate	2%	0%
Pre-tax discount rate	14% to 24%	13% to 16%
<b>As at 31 December 2024</b>		
Compound annual growth rate of revenue during the projection period	-18% to 13%	2% to 9%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period	7% to 32%	24% to 53%
Long term growth rate	2%	0%
Pre-tax discount rate	15% to 22%	11% to 15%

## 17 GOODWILL (CONTINUED)

Management has determined the value assigned to each of the above key assumptions as follows:

<b>Assumption</b>	<b>Approach used to determine values</b>
Compound annual growth rates of revenue	Based on past performance and management's expectations of market development. For Greenland Property Services Co., Ltd., year-on-year increment in projected revenue is mainly attributable to the estimated incremental gross floor area under management as committed by Greenland Holdings Group Company Limited according to the investment cooperation framework agreement.
EBITDA margin	Based on past performance and management's expectations for the future.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Pre-tax discount rates	Reflect specific risks relating to the relevant cash-generating units.

## 17 GOODWILL (CONTINUED)

### (i) Property management companies

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth all possible changes to the key assumptions of the impairment test and the changes taken in isolation in the VIU calculations for A-Living Futurelife Property Management Limited ("A-Living Futurelife PM") that would remove the remaining headroom respectively as at 31 December 2025:

Possible changes to the key assumptions	As at	As at
	31 December 2025	31 December 2024
	A-Living Futurelife PM	A-Living Futurelife PM
Compound annual growth rate of revenue	-2.5%	-3.2%
EBITDA margin	-0.7%	-0.8%
Average trade receivables turnover days	+14.51 days	+17.15 days
Long term growth rate	-1.9%	-2.7%
Pre-tax discount rate	1.6%	2.2%

As at 31 December 2025, management reassessed the key assumptions for impairment testing of goodwill of the other CGUs. Based on the assessment, the Group considered that no additional impairment of goodwill was required.

### (ii) Environmental protection companies

As at 31 December 2025, the recoverable amount of RMB0 (2024: RMB1,745,987,000) of all acquired companies calculated based on VIU calculation was below their carrying value and an impairment loss of RMB156,561,000 was recognised in profit or loss for the year (2024: RMB361,422,000). Accordingly, the accumulated impairment for goodwill related to all environmental protection cash-generating units amounted to RMB2,084,978,000 as at 31 December 2025 (2024: RMB1,928,417,000).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 18 OTHER INTANGIBLE ASSETS

	<b>Computer software RMB'000</b>	<b>Trademarks and licences RMB'000</b>	<b>Operating concessions RMB'000</b>	<b>Customer relationships and backlogs RMB'000</b>	<b>Total RMB'000</b>
Cost at 1 January 2025, net of accumulated amortisation	50,438	11,016	147,240	890,341	1,099,035
Additions	6,098	–	1,079	–	7,177
Amortisation charge	(18,988)	(1,246)	(14,634)	(172,751)	(207,619)
Disposal	(363)	–	(4,426)	–	(4,789)
Disposal of subsidiaries (note 39)	(527)	–	–	–	(527)
At 31 December 2025	<b>36,658</b>	<b>9,770</b>	<b>129,259</b>	<b>717,590</b>	<b>893,277</b>
At 31 December 2025:					
Cost	241,765	113,321	222,052	1,752,030	2,329,168
Accumulated amortisation	(205,107)	(103,551)	(92,793)	(1,034,440)	(1,435,891)
Net carrying amount	<b>36,658</b>	<b>9,770</b>	<b>129,259</b>	<b>717,590</b>	<b>893,277</b>
Cost at 1 January 2024, net of accumulated amortisation	76,723	87,728	156,831	1,111,194	1,432,476
Additions	6,398	–	242	–	6,640
Amortisation charge	(19,475)	(7,600)	(9,605)	(181,681)	(218,361)
Disposal	(274)	–	(228)	–	(502)
Disposal of subsidiaries (note 39)	(12,934)	(69,112)	–	(39,172)	(121,218)
At 31 December 2024	50,438	11,016	147,240	890,341	1,099,035
At 31 December 2024:					
Cost	238,487	113,321	225,369	1,751,709	2,328,886
Accumulated amortisation	(188,049)	(102,305)	(78,129)	(861,368)	(1,229,851)
Net carrying amount	50,438	11,016	147,240	890,341	1,099,035

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Share of net assets	<b>18,999,408</b>	21,261,378
Less: Impairment	<b>(1,444,372)</b>	(717,017)
Total	<b>17,555,036</b>	20,544,361

The directors of the Company consider that none of the associates and the joint ventures as at 31 December 2025 and 31 December 2024 were individually material to the Group and thus the individual financial information of the associates and the joint ventures is not disclosed.

The movements of the interests in the associates and the joint ventures during the year is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance as at 1 January	<b>20,544,361</b>	25,373,636
Additions	<b>182</b>	336,810
Retained interests upon derecognition of a subsidiary (note (a) and note 39)	<b>105,488</b>	5,235
Transfer to subsidiaries (note (b) and note 38)	–	(58,018)
Disposal resulting from disposal of subsidiaries (note (b))	<b>(1,812,419)</b>	–
Remeasurement losses resulting from transfer of a joint venture and an associate to subsidiaries	–	(14,706)
Share of losses	<b>(124,959)</b>	(653,665)
Impairment charge	<b>(727,355)</b>	(20,199)
Disposal (note (c))	<b>(387,229)</b>	(4,347,592)
Dividends received	<b>(30,955)</b>	(77,140)
Others	<b>(12,078)</b>	–
Balance as at 31 December	<b>17,555,036</b>	20,544,361

## 19 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONTINUED)

The movements of the interests in the associates and the joint ventures during the year is as follows: (Continued)

- (a) During the year ended 31 December 2025, a subsidiary entered into bankruptcy proceedings, and a 74.63% equity interest in its subsidiary was derecognised, while the remaining 25.37% equity interest was retained by another subsidiary of the Group and accounted for as an associate (note 39).
- (b) During the year ended 31 December 2025, the Group disposed of a subsidiary to an independent third party, which resulted in the disposal of a joint venture.
- (c) During the year ended 31 December 2025, the Group disposed of certain joint ventures and associates to independent third parties for the consideration of RMB123,724,000 (2024: RMB3,522,668,000) in aggregate. Upon the completion of the disposal, the Group recognised the disposal losses in an amount of RMB263,505,000 (2024: losses in an amount of RMB824,924,000 (note 6)).

As at 31 December 2025, the Group's shares of losses of certain associates and joint ventures exceeded its interests in the underlying entities, and the cumulative unrecognised share of losses of these investment companies amounted to RMB2,869,787,000 (31 December 2024: RMB2,640,048,000).

The impairment charge was related to the decrease in prices of properties held by the associates and joint ventures of the Group. The directors of the Company had estimated the recoverable amount, which is the fair value less cost of disposal, of the Group's investments accounted for using the equity method for the purpose of impairment testing. The fair value was measured based on the adjusted net asset value of the relevant associates and joint ventures (Level 3 of the fair value hierarchy) by reviewing the lower of cost and net realisable value of the properties as at the end of the reporting period. Based on the assessment, the directors of the Company are of the opinion that an impairment of RMB727,355,000 (2024: RMB20,199,000), arising from the property development segment, was considered necessary which was recognised in the profit or loss.

There is no material commitment relating to the Group's investments accounted for using the equity method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Unlisted equity investments	<b>30,925</b>	43,343

Equity securities which are not held for trading, and the Group has irrevocably elected at initial recognition to recognise the financial assets at fair value through other comprehensive income. These are strategic investments and the Group considers this classification to be more relevant.

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Losses recognised in other comprehensive income, net of tax for the year	<b>(3,325)</b>	–

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Carrying amount at beginning of the year	<b>43,343</b>	43,443
Additions	–	75
Losses recognised in other comprehensive income	<b>(3,325)</b>	–
Disposal	<b>(9,093)</b>	(175)
Carrying amount at end of the year	<b>30,925</b>	43,343

On disposal of these equity investments, any related balance within the other reserves is reclassified to retained earnings or accumulated losses.

As at 31 December 2025 and 2024, none of the equity securities in any individual investee company held by the Group equalled or exceeded 5% of the Group's total assets.

## 21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Wealth management products	<b>741,390</b>	1,999,158
Unlisted equity investments	<b>81,876</b>	416,203
Others	<b>5,000</b>	5,000
<b>Total</b>	<b>828,266</b>	2,420,361

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Analysis by:		
Held for trading or mandatorily measured at fair value through profit or loss	<b>746,390</b>	2,004,158
Equity investments for which the Group has not elected to recognise fair value through other comprehensive income	<b>81,876</b>	416,203
<b>Total</b>	<b>828,266</b>	2,420,361

Decrease in fair values of financial assets at fair value through profit or loss amounting to RMB214,072,000 is recorded in other expenses during the year ended 31 December 2025 (2024: RMB22,032,000 in "other income and gains, net").

As at 31 December 2025 and 2024, none of the equity securities or financial products in any individual investee company held by the Group equalled or exceed 5% of the Group's total asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22 PROPERTIES UNDER DEVELOPMENT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Properties under development expected to be completed:		
Pledged properties under development held primarily for sale	<b>1,555,858</b>	1,564,614
Within one operating cycle included under current assets	<b>37,556,856</b>	46,622,241
Beyond one operating cycle included under non-current assets	<b>13,875,464</b>	14,910,009
<b>Total</b>	<b>52,988,178</b>	63,096,864
Properties under development comprise:		
Construction costs and capitalised expenditures	<b>12,319,831</b>	14,844,502
Capitalised interests	<b>8,398,077</b>	10,736,842
Land use rights	<b>32,270,270</b>	37,515,520
<b>Total</b>	<b>52,988,178</b>	63,096,864

In general, the operating cycle of a property development is approximately 18 to 36 months.

Most of the Group's properties under development are located in Mainland China. The relevant land use rights in the PRC are on leases of 40 to 70 years.

The capitalisation rate of borrowings was 7.70% (2024: 8.78%) for the year ended 31 December 2025.

As at 31 December 2025, the balance of provision in respect of write-down of the properties under development was RMB4,888,711,000 (31 December 2024: RMB4,983,694,000). The write-down of these properties recognised in profit or loss for the current year was RMB784,754,000 (2024: RMB744,211,000).

As at 31 December 2025, properties under development with a net book value of RMB15,534,813,000 (31 December 2024: RMB20,200,639,000) were pledged as collateral for the Group's borrowings. As explained in note 2.1 to the financial statements, certain bank and other borrowings were defaulted or cross-defaulted, and accordingly, certain properties, of which the development had not been completed by 31 December 2025, were held primarily for sale purposes.

The properties under development amounted to RMB29,751,126,000 as at 31 December 2025 (31 December 2024: RMB37,103,608,000) under normal operating cycle classified as current assets were expected to be completed and delivered beyond one year.

### 23 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in Mainland China. The relevant land use rights are on leases of 40 to 70 years.

As at 31 December 2025, the balance of provision in respect of write-down of the properties held for sale was RMB8,143,075,000 (31 December 2024: RMB2,668,714,000). The write-down of these properties recognised in profit or loss for the current year was RMB4,741,573,000 (2024: RMB654,348,000).

As at 31 December 2025, completed properties held for sale of approximately RMB537,353,000 (31 December 2024: RMB933,612,000) were pledged as collateral for the Group's borrowings (note 31).

### 24 PREPAYMENTS FOR ACQUISITION OF LAND USE RIGHTS

Amounts represent up-front payments for acquiring land use rights for property development. The amounts will be transferred to properties under development in the consolidated statement of financial position when the Group obtains contractual usage rights of the relevant lands.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25 TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
Third parties	<b>8,769,013</b>	8,840,033
Joint ventures (note 44(c))	<b>2,194,208</b>	2,194,522
Associates (note 44(c))	<b>27,147</b>	20,119
Gross trade receivables	<b>10,990,368</b>	11,054,674
Less: Allowance for impairment of trade receivables	<b>(2,065,590)</b>	(1,663,224)
Total trade receivables	<b>8,924,778</b>	9,391,450
Other receivables due from:		
Third parties	<b>16,254,601</b>	14,684,287
Joint ventures (note 44(c))	<b>22,000,485</b>	20,635,694
Associates (note 44(c))	<b>675,444</b>	702,810
Other related parties (note 44(c))	<b>283,434</b>	270,632
Non-controlling interests	<b>2,816,045</b>	3,043,191
Loan and interest receivables due from related parties (note 44(c))	<b>1,582,039</b>	1,582,781
Prepaid value added taxes and other taxes	<b>1,715,240</b>	1,635,018
Deposits for acquisition of land use rights	<b>467,016</b>	571,523
Prepayments	<b>2,246,145</b>	1,871,343
Gross other receivables	<b>48,040,449</b>	44,997,279
Less: Allowance for impairment of other receivables	<b>(6,232,028)</b>	(3,803,560)
Total other receivables	<b>41,808,421</b>	41,193,719
Less: Other receivables – non-current portion	<b>(5,244,368)</b>	(5,316,326)
Other receivables – current portion	<b>36,564,053</b>	35,877,393
Trade and other receivables – current portion	<b>45,488,831</b>	45,268,843

As at 31 December 2025, the fair value of trade and other receivables approximated their carrying amounts. The maximum exposure to credit risk is the carrying amount of trade and other receivables mentioned above.

As at 31 December 2025, trade receivables of RMB1,584,319,000 (31 December 2024: RMB1,629,135,000) were pledged as collateral for Group's borrowings (note 31).

## 25 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables mainly arose from sales of properties, provision of property management services, provision of construction services and provision of environmental protection services. Trade receivables are settled in accordance with the terms stipulated in the property sale and purchase agreements or service agreements. As at 31 December 2025 and 2024, the ageing analysis of the gross trade receivables based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	<b>2,783,643</b>	5,597,286
Over 90 days and within 365 days	<b>4,084,230</b>	2,233,285
Over 365 days	<b>4,122,495</b>	3,224,103
<b>Total</b>	<b>10,990,368</b>	11,054,674

To measure the expected credit losses, contract assets and trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor in engaging a repayment plan with the Group, and failure to make contractual payments. Trade receivables without known insolvencies and contract assets are assessed on a collective basis based on shared credit risk characteristics.

The gross amount and loss allowance provision for trade receivables and contract assets are categorised as follows for assessment purpose:

Individual: Trade receivables with known insolvencies

Collective: Other trade receivables and contract assets

	2025		2024	
	Gross balance <i>RMB'000</i>	Loss allowance <i>RMB'000</i>	Gross balance <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Individual:				
Trade receivables with known insolvencies	<b>339,768</b>	<b>339,768</b>	298,596	298,596
Collective:				
Other trade receivables	<b>10,650,600</b>	<b>1,725,822</b>	10,756,078	1,364,628
Contract assets (note 26)	<b>2,258,059</b>	<b>73,010</b>	2,420,673	61,275
<b>Total</b>	<b>13,248,427</b>	<b>2,138,600</b>	13,475,347	1,724,499

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2025, the Group has assessed that the expected loss rate for other receivables due from related parties was immaterial considering the good finance position and credit history of the related parties. Thus no significant increase of loss allowance provision for other receivables from related parties was recognised.

The expected credit losses below also incorporated forward-looking information. On that basis, as at 31 December 2025, the loss allowance provision for the trade receivables and contract assets under collective basis was determined as follows:

	Current	Past due			Total
		Up to 1 year	1 to 2 years	Over 2 years	
At 31 December 2025					
Expected loss rate	0%~3%	1%~17%	1%~24%	25%~100%	
Gross carrying amount – trade receivables under collective basis (RMB'000)	4,348,793	2,992,235	1,965,102	1,344,470	10,650,600
Gross carrying amount – contract assets (RMB'000)	2,258,059	–	–	–	2,258,059
Loss allowance – trade receivables (RMB'000)	10,107	317,135	379,410	1,019,170	1,725,822
Loss allowance – contract assets (RMB'000)	73,010	–	–	–	73,010

	Current	Past due			Total
		Up to 1 year	1 to 2 years	Over 2 years	
At 31 December 2024					
Expected loss rate	0%~1%	1%~15%	1%~24%	25%~100%	
Gross carrying amount – trade receivables under collective basis (RMB'000)	5,536,465	2,216,399	1,424,338	1,578,876	10,756,078
Gross carrying amount – contract assets (RMB'000)	2,420,673	–	–	–	2,420,673
Loss allowance – trade receivables (RMB'000)	20,715	271,584	301,897	770,432	1,364,628
Loss allowance – contract assets (RMB'000)	61,275	–	–	–	61,275

The Group uses the expected credit loss model to determine the expected loss provision for other receivables (excluding prepayments and prepaid value added taxes and other taxes). As at 31 December 2025, the Group has assessed that there is no significant increase of credit risk for other receivables. Thus, the Group used a loss rate approach with reference to the historical loss record of the Group to assess credit loss of other receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25 TRADE AND OTHER RECEIVABLES (CONTINUED)

The expected credit losses below also incorporated forward-looking information. As at 31 December 2025 and 2024, the loss allowance provision for the other receivables was determined as follows:

As at 31 December 2025	
Gross carrying amount (RMB'000)	<b>44,079,064</b>
Expected loss rate	<b>14.14%</b>
<hr/>	
Loss allowance provision (RMB'000)	<b>6,232,028</b>
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As at 31 December 2024	
Gross carrying amount (RMB'000)	41,490,918
Expected loss rate	9.17%
<hr/>	
Loss allowance provision (RMB'000)	3,803,560
<hr/>	

As at 31 December 2025 and 2024, the loss allowance provision for contract assets and trade and other receivables (excluding prepayments and prepaid value added taxes and other taxes) reconciles to the opening loss allowance for that provision as follows:

	<b>Contract assets and trade receivables RMB'000</b>	<b>Other receivables (excluding prepayments and prepaid value added taxes) RMB'000</b>	<b>Total RMB'000</b>
At 1 January 2025	<b>1,724,499</b>	<b>3,803,560</b>	<b>5,528,059</b>
Provision for loss allowance recognised in profit or loss	<b>463,942</b>	<b>1,650,932</b>	<b>2,114,874</b>
Disposal of subsidiaries	<b>(21,672)</b>	<b>799,861</b>	<b>778,189</b>
Receivables written off during the year as uncollectible	<b>(28,169)</b>	<b>(22,325)</b>	<b>(50,494)</b>
<hr/>			
At 31 December 2025	<b>2,138,600</b>	<b>6,232,028</b>	<b>8,370,628</b>
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2025 and 2024, the loss allowance provision for contract assets and trade and other receivables (excluding prepayments and prepaid value added taxes and other taxes) reconciles to the opening loss allowance for that provision as follows: (Continued)

	Contract assets and trade receivables <i>RMB'000</i>	Other receivables (excluding prepayments and prepaid value added taxes) <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	1,896,317	2,418,892	4,315,209
Provision for loss allowance recognised in profit or loss	(59,083)	2,188,839	2,129,756
Disposal of subsidiaries	(7,269)	(294,159)	(301,428)
Receivables written off during the year as uncollectible	(105,466)	(510,012)	(615,478)
At 31 December 2024	1,724,499	3,803,560	5,528,059

### 26 CONTRACT ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract assets relating to properties sale contracts	132,554	245,288
Contract assets relating to construction contracts	2,125,505	2,175,385
Less: loss allowance	(73,010)	(61,275)
Net carrying amount	2,185,049	2,359,398

Contract assets are initially recognised for revenue earned from the provision of construction services and sale of properties as the receipt of consideration is conditional on successful completion of construction and acceptance by customers. Included in contract assets for construction services are retention receivables. Upon completion of installation or construction and acceptance by the customers, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 was mainly the result of the decrease in the ongoing provision of construction services as at 31 December 2025.

During the year ended 31 December 2025, RMB11,735,000 was recognised (2024: RMB27,376,000 was reversed) in profit or loss for an allowance for expected credit losses on contract assets.

For contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 25 to the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26 CONTRACT ASSETS (CONTINUED)

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	<b>2,185,049</b>	2,359,398

### 27 RESTRICTED CASH

As at 31 December 2025 and 2024, the Group's restricted cash was mainly denominated in RMB. The conversion of the PRC subsidiaries' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the Mainland China are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

The restricted cash is mainly comprised of guarantee deposits for mortgage loans, guarantee deposits for construction of pre-sold properties and deposits for accident compensation.

### 28 CASH AND CASH EQUIVALENTS

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	<b>3,451,029</b>	4,231,734
Denominated in RMB	<b>3,371,314</b>	4,131,565
Denominated in other currencies	<b>79,715</b>	100,169
Total	<b>3,451,029</b>	4,231,734

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables (note (a))	<b>21,736,683</b>	21,721,016
Other payables due to:		
Third parties (note (b) and note (d))	<b>13,216,770</b>	8,954,373
Related parties (note 44(c) and note (d))	<b>9,032,771</b>	9,246,444
Non-controlling interests (note (d))	<b>1,241,847</b>	1,299,495
Staff welfare benefit payable	<b>894,573</b>	935,396
Accruals	<b>6,953,053</b>	4,542,691
Other taxes payable (note (c))	<b>5,301,199</b>	5,709,393
<b>Total trade and other payables</b>	<b>58,376,896</b>	52,408,808
Less: Other payables – non-current portion	<b>(4,761,319)</b>	(4,786,374)
<b>Trade and other payable – current portion</b>	<b>53,615,577</b>	47,622,434

(a) The ageing analysis of the trade payables of the Group based on invoice date as at 31 December 2025 and 2024 is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	<b>4,876,507</b>	4,359,418
Over 90 days and within 180 days	<b>3,865,098</b>	4,405,056
Over 180 days and within 365 days	<b>3,660,598</b>	4,329,235
Over 365 days	<b>9,334,480</b>	8,627,307
<b>Total</b>	<b>21,736,683</b>	21,721,016

(b) The other payables to third parties mainly include: (i) the deposits received from third parties for potential equity cooperation in certain property development projects; and (ii) quality guarantee and bidding deposit from constructors. The deposits are unsecured and repayable according to terms and conditions mutually agreed with the counter parties.

(c) Amounts of RMB1,235,536,000 represented value added tax payable of advanced proceeds received from customers (2024: RMB1,828,056,000).

(d) Amounts included current cash advances of RMB1,655,810,300 bearing interest at rates between 2.8% and 15.0% per annum (2024: RMB686,611,000, between 4.3% and 10.0%) and non-current cash advances of RMB577,653,000 bearing interest at rates between 8.0% and 15.0% per annum (2024: RMB424,390,000, between 2.8% and 10.0%).

## 30 CONTRACT LIABILITIES

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Contract liabilities		
Related parties (note 44(c))	–	15,180
Third parties	<b>18,768,920</b>	26,222,516
<b>Total</b>	<b>18,768,920</b>	26,237,696

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties and provision of property management services. The decrease in contract liabilities in 2025 was mainly due to the decrease in short-term advances received from customers in relation to the sale of properties at the end of the year.

As at 1 January 2024, the carrying value of contract liabilities was RMB41,353,892,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 31 BORROWINGS

	2025		2024	
	Maturity	RMB'000	Maturity	RMB'000
<b>Borrowings included in non-current liabilities:</b>				
Senior notes (note (a) and note (h))				
– Senior notes issued in 2020 (“2020 Senior Notes”) (note (a)(i) and note (h))	2025	6,909,310	2025	7,063,203
– Senior notes issued in 2021 (“2021 Senior Notes”) (note (a)(ii) and note (h))	2025–2026	5,367,715	2025–2026	5,481,044
PRC corporate bonds (note (b))	2028	450,000	2025	676,297
Medium Term Notes (“MTN”) (note (c))	2026	1,199,438	2026	1,188,065
Commercial mortgage-backed securities (note (d))	2036	3,643,462	2036	3,718,750
Exchangeable bonds (note (e))	2026	1,914,689	2026	1,726,180
Long-term syndicated loans				
– secured (note (f) and note (h))	2024	8,641,269	2024	8,813,525
Long-term bank borrowings				
– secured (note (f) and note (h))	2024–2041	11,958,516	2024–2041	12,808,498
– unsecured (note (g) and note (h))	2024–2028	1,798,816	2024–2026	1,897,243
Other borrowings				
– secured (note (f) and note (h))	2025–2029	1,975,187	2025–2029	1,869,150
– unsecured (note (g))	2027	443,552	2027	445,052
Less: Current portion of non-current borrowings		(36,230,516)		(35,097,236)
Total – non-current		8,071,438		10,589,771
<b>Borrowings included in current liabilities:</b>				
Short-term bank borrowings				
– secured (note (f) and note (h))	2024–2026	1,882,768	2024–2025	2,546,666
– unsecured (note (g) and note (h))	2024–2026	354,563	2024–2025	375,621
Short-term other borrowings				
– secured (note (f))	2025	7,300	2025	39,208
– unsecured (note (g) and note (h))	2026	259,130	2024	267,832
Current portion of non-current borrowings		36,230,516		35,097,236
Total – current		38,734,277		38,326,563
Total		46,805,715		48,916,334

## 31 BORROWINGS (CONTINUED)

Notes:

### (a) Senior notes

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries.

#### (i) 2020 Senior Notes

On 3 July 2020, the Company issued 5.75% senior notes with an aggregated nominal value of US\$500,000,000 (equivalent to approximately RMB3,531,900,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$497,109,000 (equivalent to approximately RMB3,511,482,000). The notes matured in January 2025, while the company has not yet repaid the principal.

On 13 October 2020, the Company issued 6.05% senior notes with an aggregated nominal value of US\$483,000,000 (equivalent to approximately RMB3,232,868,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$480,039,000 (equivalent to approximately RMB3,212,904,000). The notes matured in October 2025, while the company has not yet repaid the principal.

As at 31 December 2025, the Company failed to pay interest in an aggregate amount of US\$101,568,000 (equivalent to approximately RMB713,901,000) (31 December 2024: US\$43,596,500, equivalent to approximately RMB313,389,000).

#### (ii) 2021 Senior Notes

On 17 May 2021, the Company issued 5.5% senior notes with an aggregated nominal value of US\$450,000,000 (equivalent to approximately RMB2,890,050,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$445,710,000 (equivalent to approximately RMB2,862,351,000). The notes will mature in May 2026.

On 21 July 2021, the Company issued 5.5% senior notes with an aggregated nominal value of US\$314,000,000 (equivalent to approximately RMB2,035,819,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$311,051,000 (equivalent to approximately RMB2,016,701,000). The notes matured in April 2025, while the company has not yet repaid the principal.

As at 31 December 2025, the Company failed to pay interest in an aggregate amount of US\$84,040,000 (equivalent to approximately RMB590,700,000) (31 December 2024: US\$42,020,000, equivalent to approximately RMB302,057,000).

The Company, at its option, can redeem all or a portion of the senior notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

### (b) PRC corporate bonds

On 28 March 2023, a PRC subsidiary of the Company issued 7.5% corporate bonds with an aggregate amount of RMB500,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB491,214,000. The bonds matured on 28 March 2025. On 28 March 2025, the Group issued 6.50% corporate bonds amounting to RMB500,000,000 to swap the 7.5% corporate bonds. The bonds will mature on 27 March 2028. On 2 July 2025, the Group redeemed an aggregate principal amount of RMB50,000,000 in accordance with the payment schedule.

On 28 March 2023, a PRC subsidiary of the Company issued 5.0% corporate bonds with an aggregate amount of RMB200,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB196,486,000. The bonds matured on 28 March 2025. The Group was entitled to adjust the coupon rate at the end of the first year whereas the investors were entitled to sell back the bonds in whole or in part. On 28 March 2024, the Group redeemed the bonds in an aggregate principal amount of RMB20,000,000 and on 26 June 2025, the Group redeemed the bonds in an aggregate principal amount of RMB180,000,000 as the investors exercised the right to sell back.

## 31 BORROWINGS (CONTINUED)

Notes: (continued)

### (c) Medium Term Notes

On 18 January 2023, a PRC subsidiary of the Company issued 4.7% Medium Term Notes ("MTN") with an aggregate amount of RMB1,200,000,000, which was fully guaranteed by China Bond Insurance Co., Ltd. ("CBIC") with irrevocable joint and several liability. The Group provided counter guarantee to CBIC with two investment properties and one completed property held for sale as pledge. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,167,600,000. The MTN has matured on 19 January 2026. CBIC repaid the MTN on behalf of the subsidiary and became the creditor accordingly.

### (d) Commercial mortgage-backed securities

A PRC subsidiary of the Company engaged in commercial property operation entered into a Commercial Mortgage-Backed Securities ("CMBS") arrangement at the coupon rate of 5.85% with an asset management company by pledging of the receivables for certain properties under its operation as well as the self-used properties, the land use rights and the investment properties. On 10 April 2018, the CMBS arrangement was formally established with an aggregate nominal value of RMB4,600,000,000 and a 18-year maturity, amongst which RMB500,000,000 was subordinate securities purchased by the PRC subsidiary as original equity holder. The net proceeds from the CMBS, after deducting the issuance costs and the subordinate securities purchased by the PRC subsidiary, amounted to approximately RMB4,066,700,000. The CMBS have been resold to new investors at the coupon rate of 5.1%, and on 21 January 2027 the holder will have right to redeem the CMBS in whole or in part.

### (e) Exchangeable bonds

On 24 November 2021, a subsidiary (the "Issuer") of the Company issued 7% exchangeable bonds with an aggregated principal amount of HK\$2,418,000,000 (equivalent to approximately RMB1,982,784,000), which would be exchangeable into the H shares of nominal value of RMB1.00 each of A-Living Smart City Services Co., Ltd. The exchange right in respect of exchangeable bonds might be exercised by the bondholder, at any time during the period from (and including) 4 January 2022 up to (and including) the date which falls seven days prior to 24 November 2026, in which the exchange price will initially be HK\$27.48 per A-Living share. The exchangeable bonds will mature in November 2026. On 24 November 2024, the holder of each bond had the right to require the issuer to redeem that bond at its principal amount together with interest accrued but no bondholder made such an application. The initial value of the liability component was calculated using a market interest rate for an equivalent non-exchangeable bond of the Company. The residual amount of the conversion option amounting to RMB758,459,000 was initially accounted for as an equity component and included in other reserves.

As of 31 December 2025, certain bondholders exercised the exchange rights to exchange the bonds with a nominal value amounted to HK\$11,000,000 into 426,686 H-shares of A-Living, at exchange price of HK\$25.78 per share (The exercise price was adjusted due to price adjustment arising from the dividend declared by A-Living).

(f) As at 31 December 2025, the Group's borrowings were secured by certain of its land use rights (note 16), self-used properties (note 14), trade receivables (note 25), completed properties held for sale (note 23), properties under development (note 22), investment properties (note 15) and the shares of certain subsidiaries and equity interests of a joint venture.

(g) As at 31 December 2025, the Group's unsecured borrowings of RMB2,868,205,000 were jointly guaranteed by certain subsidiaries of the Group (31 December 2024: RMB3,243,257,000).

(h) As at 31 December 2025, principal and interest of bank borrowings, other borrowings, and senior notes had not been repaid according to their scheduled repayment dates, and creditors of borrowings might as a result have the right to demand for repayment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31 BORROWINGS (CONTINUED)

The carrying amounts of the borrowings with the respective effective interest rates are as follows:

	2025		2024	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Senior notes	12,277,025	5.85%	12,544,247	5.87%
PRC corporate bonds	450,000	7.15%	676,297	8.07%
Medium Term Notes	1,199,438	5.64%	1,188,065	5.61%
Commercial mortgage-backed securities	3,643,462	5.09%	3,718,750	5.15%
Exchangeable bonds	1,914,689	17.35%	1,726,180	15.37%
Bank borrowings	24,635,932	7.53%	26,441,553	8.88%
Other borrowings	2,685,169	8.23%	2,621,242	7.56%
<b>Total</b>	<b>46,805,715</b>		48,916,334	

The carrying amounts and fair value of the non-current borrowings are as follows:

	2025		2024	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
PRC public corporate bonds (note(i))	360,000	146,274	–	–
Medium Term Notes (note (ii))	–	–	1,188,065	1,225,140
Bank borrowings, syndicated loans and other borrowings (note (iii))	7,711,438	7,711,438	7,675,526	7,675,526
Exchangeable bonds (note (iv))	–	–	1,726,180	223,523
<b>Total</b>	<b>8,071,438</b>	<b>7,857,712</b>	10,589,771	9,124,189

Notes:

- (i) The fair value of RMB146,274,000 PRC public corporate bonds as at 31 December 2025 was determined directly by reference to the price quotations published by China Securities Index Co., Ltd. and was within Level 1 of the fair value hierarchy.
- (ii) The fair values of Medium Term Notes as at 31 December 2024, were determined directly by reference to the price quotations published by the Shanghai Clearing House and were within Level 1 of the fair value hierarchy.
- (iii) The fair values of non-current bank borrowings, syndicated loans and other borrowings approximate their carrying amount as the impact of discounting was not significant. The fair values were based on cash flows discounted at the average borrowing rate of 7.86% (2024: 8.69%), and were within Level 2 of the fair value hierarchy.
- (iv) The fair value of exchangeable bonds was valued on 31 December 2024 and was within Level 2 of the fair value hierarchy.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31 BORROWINGS (CONTINUED)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
6 months or less	<b>10,281,848</b>	11,020,477
6 to 12 months	<b>11,725,972</b>	12,769,945
1 to 5 years	<b>24,797,895</b>	25,125,912
Total	<b>46,805,715</b>	48,916,334

At 31 December 2025 and 2024, the Group's bank and other borrowings were repayable as follows:

Bank borrowings:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	<b>21,639,161</b>	23,421,536
Between 1 and 2 years	<b>1,856,297</b>	1,193,181
Between 2 and 5 years	<b>1,140,474</b>	1,826,836
Subtotal	<b>24,635,932</b>	26,441,553

Other borrowings:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	<b>17,095,116</b>	14,905,027
Between 1 and 2 years	<b>4,379,343</b>	3,222,786
Between 2 and 5 years	<b>695,324</b>	4,346,968
Subtotal	<b>22,169,783</b>	22,474,781
Total	<b>46,805,715</b>	48,916,334

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31 BORROWINGS (CONTINUED)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	<b>22,782,459</b>	23,956,562
Hong Kong dollar ("HK\$")	<b>10,358,049</b>	10,419,863
United States dollar ("US\$")	<b>13,665,207</b>	14,539,909
Total	<b>46,805,715</b>	48,916,334

As at 31 December 2025, the Group's borrowings of RMB42,300,216,000 (31 December 2024: RMB44,066,224,000) were secured by the Group's equity interests in subsidiaries of RMB2,799,064,000 (31 December 2024: RMB14,201,684,000) and certain assets of the Group.

### 32 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Deferred income tax assets	<b>2,851,809</b>	4,561,688
Set-off of deferred tax assets	<b>(949)</b>	(23,982)
Subtotal	<b>2,850,860</b>	4,537,706
Deferred income tax liabilities	<b>(2,516,391)</b>	(2,790,121)
Set-off of deferred tax liabilities	<b>949</b>	23,982
Subtotal	<b>(2,515,442)</b>	(2,766,139)
Deferred income tax asset/(liabilities), net	<b>335,418</b>	1,771,567

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32 DEFERRED INCOME TAX (CONTINUED)

The movements in deferred income tax assets and liabilities during the year are as follows:

#### Deferred income tax assets

	Tax losses	Write-down of completed properties held for sale and properties under development	Temporary differences arising from trade and other receivables and contract assets	Unrealised profit on intra-group transactions	Lease liabilities	LAT provisions	Provision for impairment losses on investments accounted for using the equity method	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	474,204	1,729,436	1,099,719	394,957	3,557	1,188,943	174,205	5,065,021
Losses from disposal/derecognition of subsidiaries (note 39)	(2)	(139,848)	(76,795)	-	-	-	-	(216,645)
Acquisition of a subsidiary (note 38)	-	-	37	-	-	-	-	37
(Charged)/credited to the consolidated statement of profit or loss (note 11)	(173,712)	(948,328)	376,691	(237,217)	(2,229)	693,020	5,050	(286,725)
At 31 December 2024 and 1 January 2025	300,490	641,260	1,399,652	157,740	1,328	1,881,963	179,255	4,561,688
Losses from disposal/derecognition of subsidiaries (note 39)	-	-	(10,524)	-	-	-	-	(10,524)
Credited/(charged) to the consolidated statement of profit or loss (note 11)	224,159	(625,410)	(491,472)	35,845	(1,322)	(661,900)	(179,255)	(1,699,355)
At 31 December 2025	524,649	15,850	897,656	193,585	6	1,220,063	-	2,851,809

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32 DEFERRED INCOME TAX (CONTINUED)

#### Deferred income tax liabilities

	Excess of carrying amount of investment properties and property, plant and equipment over the tax bases RMB'000	Excess of carrying amount of intangible assets over the tax bases RMB'000	Excess of carrying amount of land use right over the tax bases RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	1,604,285	325,147	1,477,915	165,256	3,572,603
Losses from disposal/derecognition of subsidiaries (note 39)	–	(17,031)	(193)	–	(17,224)
(Credited)/charged to the consolidated statement of profit or loss (note 11)	(110,005)	(63,848)	(659,763)	20,723	(812,893)
Charged to other comprehensive income	47,635	–	–	–	47,635
At 31 December 2024 and 1 January 2025	1,541,915	244,268	817,959	185,979	2,790,121
Losses from disposal/derecognition of subsidiaries (note 39)	–	(6)	–	–	(6)
(Credited)/charged to the consolidated statement of profit or loss (note 11)	(150,818)	(46,939)	(77,479)	1,512	(273,724)
At 31 December 2025	<b>1,391,097</b>	<b>197,323</b>	<b>740,480</b>	<b>187,491</b>	<b>2,516,391</b>

The Group had unutilised tax losses arising in Mainland China of RMB21,870,511,000 as at 31 December 2025 (2024: RMB25,710,856,000) that can be carried forward for five years from the year in which the losses arose for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of deductible temporary differences amounting to RMB20,814,172,000 (2024: RMB7,045,360,000). Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 33 SHARE CAPITAL AND PREMIUM

	2025 Nominal value of ordinary shares HK\$'000	2025 Equivalent nominal value of ordinary shares RMB'000	2024 Nominal value of ordinary shares HK\$'000	2024 Equivalent nominal value of ordinary shares RMB'000
Authorised 10,000,000,000 shares at HK\$0.1 each	1,000,000	N/A	1,000,000	N/A
	2025 Nominal value of ordinary shares HK\$'000	2025 Equivalent nominal value of ordinary shares RMB'000	2024 Nominal value of ordinary shares HK\$'000	2024 Equivalent nominal value of ordinary shares RMB'000
Issued and fully paid: 5,046,047,500 shares (2024: 5,046,047,500 shares) of HK\$0.1 each	504,605	500,302	504,605	500,302

A summary of the Company's share capital balance is as follows:

	Number of ordinary shares '000	Share capital RMB'000	Share premium RMB'000
At 1 January 2024, 31 December 2024 and 2025	5,046,048	500,302	4,878,375

The total authorised number of ordinary shares is 10,000,000,000 shares (2024: 10,000,000,000 shares), with a par value of HK\$0.1 per share (2024: HK\$0.1 per share).

All issued shares are fully paid.

## 34 SHARE AWARD SCHEME

On 10 December 2013, the Board adopted a Share Award Scheme, under which shares may be awarded to employees of the Company in accordance with the terms and conditions of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust ("Employee Share Trust") for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the trustee to hold on trust. On 3 January 2014, 32,750,000 of which have been granted to the 116 selected employees, subject to, among others, the fulfilment of performance conditions of both the Group and the awardees and the awardees remaining employed by the Group.

The award of first 30% and second 30% Awarded Shares lapsed effective from 26 August 2015 and 23 August 2016 respectively. Following the confirmation that relevant vesting conditions have not been satisfied by 20 June 2017, the Board resolved in its meeting held on 28 August 2017 that the award of the remaining 40% Awarded Shares lapsed effective from 28 August 2017. As at 20 June 2023, the Share Award Scheme has been terminated as there is no outstanding award under the Share Award Scheme.

During the year ended 31 December 2023, the Company disposed of 34,470,000 shares under the Share Award Scheme for an aggregate cash consideration of RMB39,308,000.

As at 31 December 2025, there was no share under the Share Award Scheme held by the Employee Share Trustee (2024: none). For the year ended 31 December 2025, no expenses in relation to the Share Award Scheme were recognised in the consolidated statement of profit or loss as the performance conditions were not fulfilled and no awarded shares were vested (2024: none).

## 35 (DEFICIT)/RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 94 to 95 of the consolidated financial statements.

Notes:

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the shares of the Company issued in exchange pursuant to the Group reorganisation undertaken for listing of Company's shares on the Hong Kong Stock Exchange.
- (b) Pursuant to the relevant rules and regulation concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in form of bonus issue.

The appropriation to the enterprise expansion fund is solely determined by the boards of directors of the PRC subsidiaries.

- (c) During the year ended 31 December 2025, the Group acquired additional equity interests in certain subsidiaries from non-controlling interests at an aggregate consideration of RMB123,000,000. The difference of RMB4,942,000 between the carrying value of the non-controlling interests and the consideration paid was debited to other reserve.

During the year ended 31 December 2024, the Group disposed of an aggregate of 24,652,000 overseas listed shares of A-Living Smart City Services Co., Ltd. (representing approximately 1.73% of the total issued share capital), for a total consideration of RMB77,096,000. The difference of RMB117,653,000 between the carrying value of the non-controlling interests and the consideration was debited to other reserve.

During the year ended 31 December 2024, the Group acquired additional equity interests in certain subsidiaries from non-controlling interests at an aggregate consideration of RMB875,617,000. The difference of RMB77,023,000 between the carrying value of the non-controlling interests and the consideration paid was debited to other reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 36 PERPETUAL CAPITAL SECURITIES

Movements of the Perpetual Capital Securities are as follows:

	Principal <i>RMB'000</i>	Distribution <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Balance as at 1 January 2024</b>	12,802,110	1,463,764	14,265,874
Profit attributable to holders of Perpetual Capital Securities	–	1,051,416	1,051,416
<b>Balance as at 31 December 2024</b>	12,802,110	2,515,180	15,317,290
<b>Balance as at 1 January 2025</b>	<b>12,802,110</b>	<b>2,515,180</b>	<b>15,317,290</b>
Profit attributable to holders of Perpetual Capital Securities	–	<b>1,057,059</b>	<b>1,057,059</b>
<b>Balance as at 31 December 2025</b>	<b>12,802,110</b>	<b>3,572,239</b>	<b>16,374,349</b>

On 27 March 2018, the Company issued senior perpetual capital securities (the “2018 Perpetual Capital Securities”) with the principal amount of US\$500,000,000. Net proceeds after deducting the issuance cost amounted to US\$491,539,000 (equivalent to approximately RMB3,107,957,000).

On 4 June 2019, the Company issued senior perpetual capital securities (the “2019 Perpetual Capital Securities I”) with the principal amount of US\$700,000,000. Net proceeds after deducting the issuance cost amounted to US\$693,792,000 (equivalent to approximately RMB4,779,956,000).

On 31 October 2019, the Company issued senior perpetual capital securities (the “2019 Perpetual Capital Securities II”) with the principal amount of US\$500,000,000. Net proceeds after deducting the issuance cost amounted to US\$496,558,000 (equivalent to approximately RMB3,497,619,000).

On 25 November 2019, the Company issued senior perpetual capital securities (the “2019 Perpetual Capital Securities III”) with the principal amount of US\$200,000,000. Net proceeds after deducting the issuance cost amounted to US\$198,730,000 (equivalent to approximately RMB1,399,798,000).

The Perpetual Capital Securities do not have maturity date and the distribution payments can be deferred at the discretion of the Company. Therefore, the Perpetual Capital Securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. When the Company elects to declare dividends to its ordinary shareholders, the Company shall make distribution to the holders of Perpetual Capital Securities at the distribution rate as defined in the subscription agreements. The Company elected to defer the distribution scheduled to be paid on the distribution payment date falling on 4 December 2022, 31 January 2023, 7 March 2023, 25 May 2023, 4 June 2023, 31 July 2023, 7 September 2023, 25 November 2023, 4 December 2023, 31 January 2024, 7 March 2024, 25 May 2024, 4 June 2024, 31 July 2024, 7 September 2024, 25 November 2024, 4 December 2024, 31 January 2025, 7 March 2025, 25 May 2025, 4 June 2025, 31 July 2025, 7 September 2025, 25 November 2025 and 4 December 2025.

## 37 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the investment in a subsidiary with material non-controlling interests are set out below:

Name of entity	Place of incorporation and legal status	% of equity held by non-controlling interests	
		2025	2024
雅生活智慧城市服務股份有限公司 A-Living Smart City Services Co., Ltd.	PRC/foreign invested enterprise	<b>54.63%</b>	54.68%

Summarised consolidated statement of financial position of A-Living:

	2025 RMB'000	2024 RMB'000 (Restated)
Current assets	<b>12,534,579</b>	12,916,166
Current liabilities	<b>(8,643,280)</b>	(8,858,152)
Current net assets	<b>3,891,299</b>	4,058,014
Non-current assets	<b>7,698,807</b>	7,838,100
Non-current liabilities	<b>(422,080)</b>	(663,919)
Non-current net assets	<b>7,276,727</b>	7,174,181
Net assets	<b>11,168,026</b>	11,232,195
Accumulated balance of non-controlling interests	<b>8,726,408</b>	8,826,822

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 37 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Summarised consolidated statement of profit or loss of A-Living:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000 (Restated)
Revenues	<b>12,892,450</b>	13,942,421
Profit/(loss) for the year	<b>216,589</b>	(3,158,329)
Other comprehensive loss	<b>(3,325)</b>	–
Total comprehensive income/(loss)	<b>213,264</b>	(3,158,329)
Profit for the year allocated to non-controlling interests	<b>76,810</b>	7,603
Dividends paid/payable to non-controlling interests	<b>(141,376)</b>	(187,327)

Summarised cash flows of A-Living:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000 (Restated)
Cash inflows generated from operating activities	<b>765,624</b>	459,711
Cash inflows/(outflows) generated from/(used in) investing activities	<b>228,051</b>	(574,479)
Cash outflows used in financing activities	<b>(1,267,724)</b>	(645,176)
Net decrease in cash and cash equivalents	<b>(274,049)</b>	(759,944)

## 38 BUSINESS COMBINATIONS

During the year ended 31 December 2024, the Group completed the acquisition of the remaining equity interests in pre-existing interests in certain joint ventures and associates of the Group at an aggregate consideration of RMB105,452,000. Upon completion of the acquisitions, the relevant project companies became wholly-owned subsidiaries of the Group. Accordingly, the Group remeasured the fair value of its pre-existing interests in the joint ventures and associates at the acquisition date and recognised the resulting losses of RMB14,706,000.

During the year ended 31 December 2024, the Group completed the acquisitions of certain companies at an aggregate purchase consideration of RMB17,532,000. The total identifiable net assets of these entities as at their respective acquisition dates amounted to RMB16,914,000. Goodwill of RMB618,000 primarily arose from the expected future development of these companies' businesses, improvement on market coverage, enrichment of the service portfolio, integration of value-added services, and improvement on management efficiency. The goodwill recognised is not expected to be deductible for income tax purposes.

Details of the purchase consideration, the net asset acquired and goodwill, are as follows:

	Note	2024 RMB'000
Consideration		
Cash paid		9,966
Liabilities assumed by the Group in exchange for control of the acquirees		55,000
Fair value of investments in joint ventures held before business combinations (note 19)		58,018
		122,984
Cash and cash equivalents		27,270
Property, plant and equipment	14	208
Right-of-use assets	16	322
Properties under development		353,955
Inventories		7
Trade and other receivables		211,009
Trade and other payables		(458,976)
Contract liabilities		(267)
Lease liabilities		(361)
Borrowings		(300)
Current income tax liabilities		6,821
Deferred income tax assets	32	37
Total identifiable net assets		139,725
Non-controlling interests		(1,215)
Identifiable net assets attributable to the Company		138,510
Gains from bargain purchase of subsidiaries		(16,144)
Goodwill	17	618

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38 BUSINESS COMBINATIONS (CONTINUED)

The fair value of the trade and other receivables as at the date of acquisition amounted to RMB211,009,000. The gross contractual amount of trade and other receivables was RMB211,009,000.

Net cash inflow arising on acquisition during the year ended 31 December 2024:

	2024 RMB'000
Cash and cash equivalents in the subsidiaries acquired	27,270
Less: Total cash considerations	(9,966)
Cash inflow in the year	17,304

The acquired businesses contributed revenues of RMB29,677,000 and caused a net loss of RMB2,690,000 to the Group for the period from the respective acquisition dates to 31 December 2024.

Had the acquisitions occurred on 1 January 2024, the Group's consolidated pro-forma revenue and net loss for the year ended 31 December 2024 would have been RMB43,347,677,000 and RMB17,541,492,000, respectively.

No contingent liability has been recognised for the business combinations.

### 39 LOSSES FROM DISPOSAL/DERECOGNITION OF SUBSIDIARIES

	2025 RMB'000	2024 RMB'000
Gains/(losses) from disposal of subsidiaries (note (a))	118,192	(1,969,399)
Losses from derecognition of subsidiaries (note (b))	(3,014,308)	–
Total	(2,896,116)	(1,969,399)

(a) Pursuant to the share transfer agreements, the Group disposed of its equity interests in some subsidiaries to third parties for a consideration of RMB155,898,000 (2024: RMB4,538,246,000). The consideration was determined by reference to the fair values of the equity interests disposed of. The Group recorded a net disposal gain of RMB118,192,000 (2024: net disposal loss of RMB1,969,399,000) during the year ended 31 December 2025.

(b) Certain subsidiaries entered into bankruptcy proceedings and were taken over by liquidators, resulting in derecognition of subsidiaries and losses of RMB3,014,308,000 were recorded (2024: Nil) during the year ended 31 December 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 39 LOSSES FROM DISPOSAL/DERECOGNITION OF SUBSIDIARIES (CONTINUED)

Details of the disposal transactions for the year ended 31 December 2025 are as follows:

	Property development RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Cash and cash equivalents	683	3,055	2,577	6,315
Restricted cash	415	–	953	1,368
Prepaid income taxes	67,545	–	–	67,545
Property, plant and equipment	67	273	1,240,492	1,240,832
Investments accounted for using the equity method	–	–	1,812,419	1,812,419
Properties under development	2,722,054	–	654	2,722,708
Other intangible assets	158	175	194	527
Right-of-use assets	–	–	90,867	90,867
Goodwill	–	8,420	–	8,420
Contract assets	–	–	178	178
Completed properties held for sale	39,877	5	–	39,882
Trade and other receivables	–	103,362	–	103,362
Trade and other payables	(40,465)	(21,218)	(2,259,611)	(2,321,294)
Contract liabilities	–	(63,831)	–	(63,831)
Borrowings	(146,761)	–	(947,473)	(1,094,234)
Lease liabilities	–	(4)	–	(4)
Current income tax liabilities	–	(5,601)	(1,258)	(6,859)
Deferred income tax assets	8,839	1,685	–	10,524
Deferred income tax liabilities	–	(6)	–	(6)
Subtotal	2,652,412	26,315	(60,008)	2,618,719
Less: Non-controlling interests	–	(9,040)	442,335	433,295
Losses from disposal/derecognition of subsidiaries	(2,510,319)	(3,470)	(382,327)	(2,896,116)
Total consideration	142,093	13,805	–	155,898
Disposal considerations				
Cash received	–	10,718	–	10,718
Remaining unpaid acquisition consideration of subsidiaries disposed of	–	3,072	–	3,072
Fair value of remaining equity interests in the Disposed Projects	105,473	15	–	105,488
Offset of existing intercompany debt included in trade and other payables	36,620	–	–	36,620
Total	142,093	13,805	–	155,898

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 39 LOSSES FROM DISPOSAL/DERECOGNITION OF SUBSIDIARIES (CONTINUED)

An analysis of the net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Total cash consideration received	–	10,718	–	10,718
Less:				
Cash and cash equivalents disposed of	(683)	(3,055)	(2,577)	(6,315)
Net cash (outflow)/inflow on disposal	(683)	7,663	(2,577)	4,403

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 39 LOSSES FROM DISPOSAL/DERECOGNITION OF SUBSIDIARIES (CONTINUED)

Details of the disposal transactions for the year ended 31 December 2024 are as follows:

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Cash and cash equivalents	1,991	41,403	7,460	50,854
Restricted cash	–	–	2,543	2,543
Financial assets at fair value through profit or loss	–	5,000	–	5,000
Property, plant and equipment	16	3,290	217,095	220,401
Investments accounted for using the equity method	–	15,051	–	15,051
Properties under development	2,932,188	–	190,336	3,122,524
Other intangible assets	–	67,958	53,260	121,218
Right-of-use assets	–	8,780	2,884	11,664
Goodwill	–	89,565	–	89,565
Contract assets	–	–	164,622	164,622
Completed properties held for sale	–	1,325	–	1,325
Trade and other receivables	8,649,171	119,935	289,484	9,058,590
Trade and other payables	(254,105)	(111,819)	(413,978)	(779,902)
Contract liabilities	(5,107)	(191,512)	(15,701)	(212,320)
Borrowings	(1,591,863)	(37,580)	(35,246)	(1,664,689)
Lease liabilities	–	(9,123)	–	(9,123)
Current income tax liabilities	(4)	(8,193)	(10,759)	(18,956)
Deferred income tax assets	139,851	76,794	–	216,645
Deferred income tax liabilities	–	(17,031)	(193)	(17,224)
<b>Subtotal</b>	<b>9,872,138</b>	<b>53,843</b>	<b>451,807</b>	<b>10,377,788</b>
Less: Non-controlling interests	(3,924,752)	84,784	(30,175)	(3,870,143)
<b>Losses from disposal/derecognition of subsidiaries</b>	<b>(1,458,781)</b>	<b>(103,986)</b>	<b>(406,632)</b>	<b>(1,969,399)</b>
<b>Total consideration</b>	<b>4,488,605</b>	<b>34,641</b>	<b>15,000</b>	<b>4,538,246</b>
Disposal considerations				
Cash received	134,274	29,406	–	163,680
Remaining unpaid acquisition consideration of subsidiaries disposed of	221,365	–	15,000	236,365
Fair value of remaining equity interests in the Disposed Projects	–	5,235	–	5,235
Offset of existing intercompany debt included in trade and other payables	4,132,966	–	–	4,132,966
<b>Total</b>	<b>4,488,605</b>	<b>34,641</b>	<b>15,000</b>	<b>4,538,246</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 39 LOSSES FROM DISPOSAL/DERECOGNITION OF SUBSIDIARIES (CONTINUED)

An analysis of the net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Total cash consideration received	134,274	29,406	–	163,680
Less:				
Cash and cash equivalents disposed of	(1,991)	(41,403)	(7,460)	(50,854)
Net cash inflow/(outflow) on disposal	132,283	(11,997)	(7,460)	112,826

## 40 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (i) Major non-cash transactions

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB43,332,000 (2024: RMB20,867,000) and RMB43,332,000 (2024: RMB20,867,000), respectively, in respect of lease arrangements for properties.

Trade and other receivables of RMB67,119,000 (2024: RMB81,471,000) was settled by transfer of certain investment properties.

The Group entered into a tripartite agreement with third parties to settle advances to third parties of RMB195,500,000 (2024: RMB520,000,000) which originally advanced with 2% annual interest and repayable within one year.

### (ii) Changes in liabilities arising from financing activities

	Borrowings RMB'000	Other payables – related parties RMB'000	Other payable – non- controlling interests and third parties RMB'000	Lease liabilities RMB'000	Dividends payable RMB'000
At 1 January 2025	48,916,334	9,246,444	2,539,470	79,344	65,637
Cash flows					
Inflow from financing activities	424,616	324,974	23,594	–	–
Outflow from financing activities	(1,130,009)	(538,647)	(71,987)	(51,757)	(116,611)
Non-cash changes					
Exchange gain and financing amortisation recognised	(310,992)	–	–	–	–
Disposal of subsidiaries	(1,094,234)	–	–	(4)	–
Addition of lease liabilities	–	–	–	43,332	–
Early termination of lease liabilities	–	–	–	(13,863)	–
Accrued dividends	–	–	–	–	203,747
At 31 December 2025	46,805,715	9,032,771	2,491,077	57,052	152,773

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 40 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

#### (ii) Changes in liabilities arising from financing activities (continued)

	Borrowings <i>RMB'000</i>	Other payables — related parties <i>RMB'000</i>	Other payable — non- controlling interests and third parties <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Dividends payable <i>RMB'000</i>
At 1 January 2024	53,553,571	9,522,910	3,173,307	251,033	102,910
Cash flows					
Inflow from financing activities	765,872	424,364	353,735	—	—
Outflow from financing activities	(4,892,346)	(700,830)	(987,572)	(73,717)	(227,974)
Outflow from operating activities	—	—	—	(12,328)	—
Non-cash changes					
Exchange gain and financing amortisation recognised	1,153,626	—	—	—	—
Acquisition of subsidiaries	300	—	—	361	—
Disposal of subsidiaries	(1,664,689)	—	—	(9,123)	—
Addition of lease liabilities	—	—	—	20,867	—
Early termination of lease liabilities	—	—	—	(110,077)	—
Accrued interests	—	—	—	12,328	—
Accrued dividends	—	—	—	—	190,701
At 31 December 2024	48,916,334	9,246,444	2,539,470	79,344	65,637

#### (iii) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within operating activities	136,530	142,733
Within financing activities	51,757	73,717
Total cash outflow for leases	188,287	216,450

## 41 CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Guarantees in respect of mortgage facilities for certain purchasers (note (a))	<b>27,643,206</b>	34,843,157
Guarantees in respect of borrowings of associates (note (b) and note 44(b))	<b>450,572</b>	1,957,595
Guarantees in respect of borrowings of joint ventures (note (c) and note 44(b))	<b>11,219,522</b>	11,407,641
Guarantees in respect of borrowings of third parties (note (d))	<b>9,471,757</b>	6,781,329
<b>Total</b>	<b>48,785,057</b>	54,989,722

- (a) The Group has cooperated with certain financial institutions to arrange mortgage loan facilities for its purchasers of properties and to provide guarantees to secure obligations of such purchasers for repayments. As at 31 December 2025, the outstanding guarantees amounted to RMB27,643,206,000 (2024: RMB34,843,157,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within one year after the purchasers take possession of the relevant properties; and (ii) the satisfaction of relevant mortgage loans by purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to the financial institutions, and the Group is entitled to take over the legal titles and possession of the related properties. The Group's guarantees start from the dates when the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable values of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties in case of any default in payments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 41 CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES (CONTINUED)

- (b) Several subsidiaries of the Group and other shareholders of associates have provided certain guarantees in proportion of their shareholding in associates in respect of loan facilities amounting to RMB919,535,000 (2024: RMB2,468,756,000). As at 31 December 2025, the Group's share of the guarantees amounted to RMB450,572,000 (2024: RMB1,957,595,000).
- (c) Several subsidiaries of the Group and joint venture partners have provided certain guarantees in proportion of their shareholding in certain joint ventures in respect of loan facilities amounting to RMB12,445,995,000 (2024: RMB13,404,102,000). As at 31 December 2025, the Group's share of the guarantees amounted to RMB11,219,522,000 (2024: RMB11,407,641,000).
- (d) As at 31 December 2025, the Group provided certain guarantees to certain independent third parties in respect of loan facilities amounting to RMB9,471,757,000 (31 December 2024: RMB6,781,329,000).

### 42 PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's borrowings are included in note 31 to the consolidated financial statements.

### 43 COMMITMENTS

The Group had the following contractual commitments as at 31 December 2025:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Property development activities	<b>12,550,318</b>	15,420,850
Acquisition of land use rights	<b>915,635</b>	915,635
Property, plant and equipment	<b>668</b>	2,476
Total	<b>13,466,621</b>	16,338,961

## 44 RELATED PARTY TRANSACTIONS

### (a) Name and relationship with related parties

Name	Relationship
Top Coast Investment Limited	The immediate holding Company of the Group
Full Choice Investments Limited, Mr. Todd, Richard Frazer, Mr. Richardson, Clive Stuart, and Mr. Deakin, Gary Colin	Joint shareholders of Top Coast Investment Limited
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	The Founding Shareholders
Zhongshan Changjiang Golf Course (note (i)) 中山長江高爾夫球場	Controlled by the Founding Shareholders
Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i)) 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Foshan Yashun Real Estate Development Co., Ltd. (note (i)) 佛山雅順房地產開發有限公司	Associate of the Group
Foshanshi Sanshuiqu Qingmei Real Estate Co., Ltd. (note (i)) 佛山市三水區擎美房地產有限公司	Associate of the Group
Fuzhou Shengquan Real Estate Development Co., Ltd. (note (i)) 福州盛全房地產開發有限公司	Associate of the Group
Sichuan Yacan Real Estate Development Co., Ltd. (note (i)) 四川雅燦房地產開發有限公司	Associate of the Group
Jinzhongshi Jinhong Yubao Real Estate Development Co., Ltd. (note (i)) 晉中市錦洪裕寶房地產開發有限責任公司	Associate of the Group
Nantong Xinya Real Estate Development Co., Ltd. (note (i)) 南通新雅房地產開發有限公司	Associate of the Group
Nantongshi Tongzhouqu Dongju Land Co., Ltd. (note (i)) 南通市通州區東居置業有限公司	Associate of the Group
Handan Yurong Real Estate Development Co., Ltd. (note (i)) 邯鄲裕榮房地產開發有限公司	Associate of the Group
Chengdu Xueling Corporation Management Co., Ltd. (note (i)) 成都雪瓏企業管理有限公司	Associate of the Group
Kunming Yaxin Real Estate Development Co., Ltd. (note (i)) 昆明雅欣房地產開發有限公司	Associate of the Group
Jinzhong Jintian Heyi Real Estate Development Co., Ltd. (note (i)) 晉中錦添合意房地產開發有限公司	Associate of the Group
Zhejiang Ivlong Eco Technology Co., Ltd. (note (i)) 浙江綠龍生態科技有限公司	Associate of the Group
Guangzhou Yahong Real Estate Development Co., Ltd. (note (i)) 廣州雅宏房地產開發有限公司	Associate of the Group
Guangzhou Haiya Investments Co., Ltd. (note (i)) 廣州海雅投資有限公司	Associate of the Group

## 44 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Yangzhou Yaheng Real Estate Development Co., Ltd. (note (i)) 揚州雅恒房地產開發有限公司	Associate of the Group
Xuzhou Dexin Xuyun Real Estate Co., Ltd. (note (i)) 徐州德信徐運置業有限公司	Associate of the Group
Meixian Jinhaimao Real Estate Development Co., Ltd. (note (i)) 眉縣金海茂房地產開發有限公司	Associate of the Group
Zhenjiang Yarun Real Estate Development Co., Ltd. (note (i)) 鎮江雅潤房地產開發有限公司	Joint venture of the Group
Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (note (i)) 天津津南新城房地產開發有限公司	Joint venture of the Group
Zhongshan Yahong Real Estate Development Co., Ltd. (note (i)) 中山市雅鴻房地產開發有限公司	Joint venture of the Group
Guangzhou Huadu Yazhan Realty Development Co., Ltd. (note (i)) 廣州花都雅展房地產開發有限公司	Joint venture of the Group
Changsha Shangcheng Land Co., Ltd. (note (i)) 長沙上城置業有限公司	Joint venture of the Group
Guangxi Fuya Investments Co., Ltd. (note (i)) 廣西富雅投資有限公司	Joint venture of the Group
Charm Talent Limited	Joint venture of the Group
Foshan Yazhan Property Development Co., Ltd. (note (i)) 佛山雅展房地產開發有限公司	Joint venture of the Group
Zhongshan Zhili Land Co., Ltd. (note (i)) 中山市志力置業有限公司	Joint venture of the Group
Zhongshan Minsen Real Estate Development Co., Ltd. (note (i)) 中山市民森房地產發展有限公司	Joint venture of the Group
Foshan Yajun Real Estate Development Co., Ltd. (note (i)) 佛山雅郡房地產開發有限公司	Joint venture of the Group
Foshan Xiangsong Land Co., Ltd. (note (i)) 佛山香頌置業有限公司	Joint venture of the Group
Hefei Changzhe Real Estate Development Co., Ltd. (note (i)) 合肥昌哲房地產開發有限公司	Joint venture of the Group
Foshan Yuankai Real Estate Development Co., Ltd. (note (i)) 佛山市遠凱房地產開發有限公司	Joint venture of the Group
Jinan Yaheng Real Estate Development Co., Ltd. (note (i)) 濟南雅恒房地產開發有限公司	Joint venture of the Group
First Synergy Investment Limited	Joint venture of the Group
Guangzhou Zhixin Engineering Cost Consulting Co., Ltd. (note (i)) 廣州至信工程造價諮詢有限公司	Joint venture of the Group
Shangqiu Chuanda Real Estate Development Co., Ltd. (note (i)) 商丘川達房地產開發有限公司	Joint venture of the Group

## 44 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Prism Ray Investment Limited	Joint venture of the Group
Twin Drive Investment Limited	Joint venture of the Group
Qidong Xinya Real Estate Development Co., Ltd. (note (i)) 啟東市信雅房地產開發有限公司	Joint venture of the Group
Zhuji Xiangya Enterprise Management Consulting Partnership (Limited Partnership) (note (ii)) 諸暨市祥雅企業管理諮詢合夥企業(有限合夥)	Joint venture of the Group
Shenyang Yasong Real Estate Development Co., Ltd. (note (i)) 瀋陽雅頌房地產開發有限公司	Joint venture of the Group
Shenyang Agile Enterprise Management Consulting Co., Ltd. (note (i)) 瀋陽雅居樂企業管理諮詢有限公司	Joint venture of the Group
Wuxi XinPan Real Estate Development Co., Ltd. (note (i)) 無錫新盤房地產開發有限公司	Joint venture of the Group
Nantong Haijia Real Estate Co., Ltd. (note (i)) 南通海嘉置業有限公司	Joint venture of the Group
Lianyungangshi Ganglong Land Co., Ltd. (note (i)) 連雲港市港龍置業有限公司	Joint venture of the Group
Xuzhou Chuanda Real Estate Development Co., Ltd. (note (i)) 徐州川達房地產開發有限公司	Joint venture of the Group
Zhongshan Haide Real Estate Development Co., Ltd. (note (ii)) 中山市海德房地產開發有限公司	Joint venture of the Group
Gongyi Agile Land Co., Ltd. (note (i)) 鞏義雅居樂置業有限公司	Joint venture of the Group
Yangzhou Yahao Business Management Co., Ltd. (note (i)) 揚州雅昊商務管理有限公司	Joint venture of the Group
Huizhou Zhongyuan Enterprise Co., Ltd. (note (ii)) 惠州市仲元實業有限公司	Joint venture of the Group
Qidong Bolme Trading Co., Ltd. (note (i)) 啟東博爾美貿易有限公司	Joint venture of the Group
Guangdong Xinmeiju Real Estate Development Co., Ltd. (note (i)) 廣東新美居房地產發展有限公司	Joint venture of the Group
Yangzhou Yayue Real Estate Development Co., Ltd. (note (ii)) 揚州雅悅房地產開發有限公司	Joint venture of the Group
Tianjin Yayi Real Estate Development Co., Ltd. (note (ii)) 天津雅逸房地產開發有限公司	Joint venture of the Group
Shaoxing Xiangya Real Estate Development Co., Ltd. (note (ii)) 紹興祥雅房地產開發有限公司	Joint venture of the Group
Jianyang Hexu Real Estate Development Co., Ltd. (note (ii)) 簡陽合煦房地產開發有限公司	Joint venture of the Group
Xingyang Yaheng Land Co., Ltd. (note (i)) 滎陽市雅恒置業有限公司	Joint venture of the Group

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Name and relationship with related parties (Continued)

Name	Relationship
Chongqing Meinan Land Co., Ltd. (note (i)) 重慶美南置業有限公司	Joint venture of the Group
Zhongshan Yachen Corporation Management Co., Ltd. (note (i)) 中山雅辰企業管理有限公司	Joint venture of the Group
Chongqing Beijia Corporation Co., Ltd. (note (i)) 重慶碚家企業管理有限公司	Joint venture of the Group
Hangzhou Dongliang Enterprise Management Co., Ltd. (note (i)) 杭州東良企業管理有限公司	Joint venture of the Group
Kaifeng Guokong Songdu Land Co., Ltd. (note (i)) 開封國控宋都置業有限公司	Joint venture of the Group
Jiaxing Xingya Real Estate Development Co., Ltd. (note (i)) 嘉興興雅房地產開發有限公司	Joint venture of the Group
Xuzhou Yafeng Real Estate Development Co., Ltd. (note (i)) 徐州雅豐房地產開發有限公司	Joint venture of the Group
Meizhou Zhongnan Yusheng Real Estate Development Co., Ltd. (note (i)) 梅州中南昱晟房地產開發有限公司	Joint venture of the Group
Jinzhong Xiya Real Estate Development Co., Ltd. (note (i)) 晉中熙雅房地產開發有限公司	Joint venture of the Group
Wuhu Yaxu Real Estate Development Co., Ltd. (note (i)) 蕪湖雅旭房地產開發有限公司	Joint venture of the Group
Chenzhou Agile Real Estate Development Co., Ltd. (note (i)) 郴州雅居樂房地產開發有限公司	Joint venture of the Group
Chongqing Jinbi Agile Real Estate Development Co., Ltd. (note (i)) 重慶金碧雅居房地產開發有限公司	Joint venture of the Group
Kaifeng Fenghui Land Co., Ltd. (note (i)) 開封豐輝置業有限公司	Joint venture of the Group
Huizhou Huiyang Agile Real Estate Development Co., Ltd. (note (i)) 惠州市惠陽雅居樂房地產開發有限公司	Joint venture of the Group
Tianjin Ruiya Real Estate Development co., Ltd. (note (i)) 天津瑞雅房地產開發有限公司	Joint venture of the Group
Chongqing Huayu Yefeng Enterprise Development Co., Ltd. (note (i)) 重慶華宇業豐實業有限公司	Joint venture of the Group
Henry Fischer Real Estate Co., Ltd.	Joint venture of the Group
Huizhou Egret Lake Tourist Tour Industry Opening Co., Ltd. (note (i)) 惠州白鷺湖旅遊實業開發有限公司	Joint venture of the Group
Xuzhou Jialefang Land Development Co., Ltd. (note (i)) 徐州佳樂房地產開發有限公司	Joint venture of the Group

## 44 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Wuxi Yayuan Real Estate Development Co., Ltd. (note (i)) 無錫雅遠房地產開發有限公司	Joint venture of the Group
Nanjing Yinyan Real Estate Development Co., Ltd. (note (i)) 南京銀雁房地產開發有限公司	Joint venture of the Group
Guangzhou Baiquan Construction Engineering Co., Ltd. (note (i)) 廣州佰全建築工程有限公司	Joint venture of the Group
Shanwei Agile Real Estate Development Co., Ltd. (note (i)) 汕尾市雅居樂房地產開發有限公司	Joint venture of the Group
Zhuhai Yahan Real Estate Development Co., Ltd. (note (i)) 珠海市雅瀚房地產開發有限公司	Joint venture of the Group
Zhongshan Yachen Real Estate Development and Operation Co., Ltd. (note (i)) 中山市雅琛房地產開發經營有限公司	Joint venture of the Group
Guangxi Yashun Real Estate Development Co., Ltd. (note (i)) 廣西雅順房地產開發有限公司	Joint venture of the Group
Guangxi Yakai Real Estate Development Co., Ltd. (note (i)) 廣西雅凱房地產開發有限公司	Joint venture of the Group
Beihai Yagang Real Estate Development Co., Ltd. (note (i)) 北海雅港房地產開發有限公司	Joint venture of the Group
Tongxiang Anyue Real Estate Co., Ltd (note (i)) 桐鄉市安悅置業有限公司	Joint venture of the Group
Beihai Yaguang Real Estate Development Co., Ltd. (note (i)) 北海雅廣房地產開發有限公司	Joint venture of the Group
Guangzhou Zhenmei Architectural Design Co., Ltd. (note (i)) 廣州臻美建築設計有限公司	Joint venture of the Group
Henan Yafu Real Estate Co., Ltd. (note (i)) 河南雅福置業有限公司	Joint venture of the Group
Beihai Yazheng Real Estate Development Co., Ltd. (note (i)) 北海雅正房地產開發有限公司	Joint venture of the Group
Zhuhai Yahao Real Estate Development Co., Ltd. (note (i)) 珠海市雅灝房地產開發有限公司	Joint venture of the Group
Wuxi Yaxiang Real Estate Development Co., Ltd. (note (i)) 無錫雅祥房地產開發有限公司	Joint venture of the Group
Shijiazhuang Qingda Real Estate Development Co., Ltd. (note (i)) 石家莊青達房地產開發有限公司	Joint venture of the Group
Chongqing Beitianqin Enterprise Management Consulting Co., Ltd. (note (i)) 重慶北天秦企業管理諮詢有限公司	Joint venture of the Group
Henan Yajing Real Estate Co., Ltd. (note (i)) 河南雅景置業有限公司	Joint venture of the Group

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Name and relationship with related parties (Continued)

Name	Relationship
Heyuan Jiangya Real Estate Development Co., Ltd. (note (i)) 河源市江雅房地產開發有限公司	Joint venture of the Group
Xiamen Yazhan Real Estate Development Co., Ltd. (note (i)) 廈門雅展房地產開發有限公司	Joint venture of the Group
Wuxi Xinshi Yajia Real Estate Development Co., Ltd. (note (ii)) 無錫新石雅嘉置業發展有限公司	Joint venture of the Group
Suzhou Agile Real Estate Co., Ltd. (note (ii)) 蘇州雅居樂置業有限公司	Joint venture of the Group
Tianjin A-Living Business Management Limited Partnership (note (ii)) 天津雅生活企業管理合夥企業(有限合夥)	Controlled by a key management personnel of the Group
Gongqing-Yagao Investment Management Co., Ltd. (note (ii)) 共青城雅高投資管理有限公司	Controlled by a key management personnel of the Group
Atlas (China) Co., Ltd. ("Atlas (China)") (note (ii)) 寰圖(中國)有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Beijing) Business Development Co., Ltd (note (ii)) 寰圖(北京)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Shanghai) Business Services Co., Ltd (note (ii)) 寰圖(上海)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Business Development Co., Ltd (note (ii)) 寰圖(廣州)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Xi'an) Business Services Co., Ltd (note (ii)) 寰圖(西安)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Business Services Co., Ltd (note (ii)) 寰圖(廣州)商業服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Huanhui (Tianjin) Business Management Second Branch Co., Ltd (note (ii)) 寰匯商業管理(天津)有限公司廣州第二分公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Shenzhen) Business Development Co., LTD (note (ii)) 寰圖(深圳)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Business Development First Branch Co., Ltd (note (ii)) 寰圖(廣州)商務發展有限公司第一分公司	Significantly influenced by the close family member of the Founding Shareholders
Huanshao (Shanghai) Business Services Co., Ltd (note (ii)) 寰紹(上海)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders

## 44 RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Huanlun (Shanghai) Business Services Co., Ltd (note (i)) 寰倫(上海)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Company Services Co., LTD (note (i)) 寰圖(廣州)企業服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (China) Zhujiang New Town Branch Co., Ltd. (note (i)) 寰圖(中國)有限公司廣州珠江新城分公司	Significantly influenced by the close family member of the Founding Shareholders
Circle Complex Limited (note (i)) 園集團有限公司	Significantly influenced by the close family member of the Founding Shareholders
Zone Set (Hong Kong) Limited (note (i)) 域置(香港)有限公司	Significantly influenced by the close family member of the Founding Shareholders
Zhongshan Boting Business Management Co., Ltd. (note (i)) 中山市柏霆商業管理有限公司	Significantly influenced by the close family member of the Founding Shareholders
Poseidon Management Company Limited	Significantly influenced by the close family member of the Founding Shareholders
陳思楊 (Mr. Chen Si Yang)	The close family member of the Founding Shareholders
陳思樂 (Mr. Chen Si Le)	The close family member of the Founding Shareholders
陸燕平 (Madam. Lu Yan Ping)	The close family member of the Founding Shareholders
陳小娜 (Madam. Chen Xiao Na)	The close family member of the Founding Shareholders
陸麗卿 (Madam. Lu Li Qing)	The close family member of the Founding Shareholders

Notes:

- (i) The names of the companies represent management's best efforts at translating the Chinese names of these companies, as no English names have been registered or are available.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Transactions with related parties

- (i) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Office service fee charged by Atlas (China) (note (a))	60,777	57,646
Golf facility service fee charged by Zhongshan Changjiang Golf Course (note (a))	2,945	3,221
Restaurant and hotel service fees charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note (a))	178	408
<b>Total</b>	<b>63,900</b>	61,275
	<b>2025 <i>RMB'000</i></b>	<b>2024 <i>RMB'000</i></b>
Rental income from Atlas (China) (note (a))	83,794	107,903
	<b>2025 <i>RMB'000</i></b>	<b>2024 <i>RMB'000</i></b>
Repayment of loans by related parties		
Associates	2,940	28,210
	<b>2025 <i>RMB'000</i></b>	<b>2024 <i>RMB'000</i></b>
Interest income from (note (b))		
Associates	524	2,079
Joint ventures	3,080	4,438
<b>Total</b>	<b>3,604</b>	6,517

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 44 RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Transactions with related parties (continued)

#### (i) (continued)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Provision of construction, property management and other services to		
Associates	33,129	8,812
Joint ventures	238,603	422,911
<b>Total</b>	<b>271,732</b>	431,723

Notes:

- (a) Office service fee, golf facility service fee, restaurant and hotel service fee and rental fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the Company's directors, were determined with reference to the market price at the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the respective related parties and the Group.
- (b) Interest income was charged in accordance with the terms of the loan contracts signed between the respective related parties and the Group.

#### (ii) Key management compensation

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries and other short-term employee benefits	9,249	17,434
Retirement scheme contributions	295	141
<b>Total compensation paid to key management personnel</b>	<b>9,544</b>	17,575

Further details of directors and the chief executive officer's emoluments are included in note 9 to the financial statements.

- (iii) The Group have provided guarantees for borrowings of certain joint ventures and associates of RMB11,670,094,000 as at 31 December 2025 (31 December 2024: RMB13,365,236,000) (note 41).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Balances with related parties

As at 31 December 2025 and 2024, the Group had the following significant trade and non-trade balances with related parties:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables due from (note (i))		
Joint ventures	<b>2,194,208</b>	2,194,522
Associates	<b>27,147</b>	20,119
<b>Total</b>	<b>2,221,355</b>	2,214,641
Other receivables due from (note (i))		
Joint ventures	<b>22,000,485</b>	20,635,694
Associates	<b>675,444</b>	702,810
Other related parties	<b>283,434</b>	270,632
<b>Total</b>	<b>22,959,363</b>	21,609,136
Loans and interest receivables due from (note (iii))		
Associates	<b>1,322,152</b>	1,325,092
Joint ventures	<b>259,887</b>	257,689
<b>Total</b>	<b>1,582,039</b>	1,582,781
Other payables due to (note (i))		
Associates	<b>876,664</b>	1,076,014
Joint ventures	<b>7,753,258</b>	7,668,275
Other related parties	<b>402,849</b>	502,155
<b>Total</b>	<b>9,032,771</b>	9,246,444
Contract liabilities		
Joint ventures	–	15,180

Notes:

- (i) The balances are cash advances and trade receivables in nature, which are unsecured and interest-free.
- (ii) The balances are loan receivables and interest from associates and joint ventures, which are unsecured and interest-bearing. The effective interest rates range from 4.35% to 15% per annum (2024: 4.35% to 15%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 45 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

#### Financial assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Financial assets at amortised cost		
– Trade and other receivables excluding prepaid value added taxes and other taxes and prepayments (note 25)	<b>46,771,814</b>	47,078,808
– Restricted cash (note 27)	<b>2,128,162</b>	2,957,752
– Cash and cash equivalents (note 28)	<b>3,451,029</b>	4,231,734
Financial assets at FVPL (note 21)	<b>828,266</b>	2,420,361
Financial assets at FVOCI (note 20)	<b>30,925</b>	43,343
Total	<b>53,210,196</b>	56,731,998

#### Financial liabilities

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Financial liabilities at amortised cost		
– Borrowings (note 31)	<b>46,805,715</b>	48,916,334
– Trade and other payables, excluding staff welfare benefit payable and other taxes payable (note 29)	<b>52,181,124</b>	45,764,019
– Lease liabilities (note 16)	<b>57,052</b>	79,344
Total	<b>99,043,891</b>	94,759,697

### 46 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments as at 31 December 2025 and 2024 approximated to their fair values.

Management has assessed that the fair values of cash and cash equivalents, restricted cash, the current portion of trade and other receivables and the current portion of financial liabilities included in trade and other payables, lease liabilities and borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the non-current portion of other receivables, other payable, lease liabilities and borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for borrowings as at 31 December 2025 and 2024 were assessed to be insignificant. The fair value of the liability portion of the exchangeable bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar exchangeable bond with consideration of the Group's own non-performance risk.

The fair values of listed equity investments are based on quoted market prices. The fair values of other financial assets at FVPL in Level 3 have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted equity investments at FVOCI and wealth management products issued by financial institutions in Mainland China. The Group has estimated the fair values of these unlisted investments based on the market interest rates of instruments with similar terms and risks.

For the fair values of the unlisted equity and debt investments at fair value through profit or loss, management has estimated the potential effect using reasonably possible alternatives as inputs to the valuation model.

## 46 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

### 31 December 2025

	<b>Valuation technique</b>	<b>Significant unobservable input</b>	<b>Range/weighted average</b>	<b>Sensitivity of fair value to the input</b>
Unlisted equity investments	Market approach	Price-to-sales(P/S)	1.70 to 24.80	The higher the price-to-sales, the higher the fair value
		Discount for lack of marketability (DLOM)	15.00%	The higher the DLOM, the lower the fair value
Wealth management products	Discounted cashflow model	Expected interest rate per annum	2.40%	The higher the expected interest rate per annum, the higher the fair value
	Income approach	Expected interest rate per annum	1.20%	The higher the expected interest rate per annum, the higher the fair value

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024: (continued)

#### 31 December 2024

	Valuation technique	Significant unobservable input	Range/weighted average	Sensitivity of fair value to the input
Unlisted equity investments	Market approach	Price-to-sales(P/S)	1.70 to 21.50	The higher the price-to-sales, the higher the fair value
		Discount for lack of marketability (DLOM)	15.00%	The higher the DLOM, the lower the fair value
	Asset-based approach	Market unit sale rate (RMB/square meter)	57,750 to 76,000	The higher the sale rate, the higher the fair value
		Market unit sale rate (RMB/square meter)	73,800 to 88,140	The higher the sale rate, the higher the fair value
		Market unit sale rate (RMB)	460,000 to 480,000	The higher the sale rate, the higher the fair value
Guideline public companies method	Expected net profit	RMB4,690,000	The higher the expected net profit, the higher the fair value	
Wealth management products	Discounted cashflow model	Expected interest rate per annum	3.60%	The higher the yield rate, the higher the fair value The higher the expected interest rate per annum, the higher the fair value
	Income approach	Expected interest rate per annum	4.20%	The higher the expected interest rate per annum, the higher the fair value

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investment.

## 46 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method, at 31 December 2025 and 2024. The disclosures relating to the investment properties which are measured at fair value are stated in note 15.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>At 31 December 2025</b>				
<b>Financial assets</b>				
Financial assets at FVPL				
Unlisted equity and debt investments	–	–	81,876	81,876
Wealth management products	–	–	741,390	741,390
Others	–	–	5,000	5,000
Financial assets at FVOCI				
Unlisted equity investments	–	–	30,925	30,925
<b>Total</b>	–	–	<b>859,191</b>	<b>859,191</b>
<b>At 31 December 2024</b>				
<b>Financial assets</b>				
Financial assets at FVPL				
Unlisted equity and debt investments	–	–	416,203	416,203
Wealth management products	–	–	1,999,158	1,999,158
Others	–	–	5,000	5,000
Financial assets at FVOCI				
Unlisted equity investments	–	–	43,343	43,343
<b>Total</b>	–	–	<b>2,463,704</b>	<b>2,463,704</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the changes in Level 3 items measured at fair value:

	<b>Financial assets</b> <i>RMB'000</i>	<b>Financial liabilities</b> <i>RMB'000</i>
At 1 January 2024	2,843,748	(697,537)
Additions	27,675	–
(Losses)/gains recognised in other gains, net	(21,972)	697,537
Disposal	(3,413)	–
Disposal of subsidiaries	(5,000)	–
Redemption of wealth management products	(377,334)	–
At 31 December 2024 and 1 January 2025	<b>2,463,704</b>	–
Additions	<b>821,190</b>	–
Losses recognised in other expenses	<b>(214,072)</b>	–
Losses recognised in other comprehensive income	<b>(3,325)</b>	–
Disposal	<b>(140,693)</b>	–
Redemption of wealth management products	<b>(2,067,613)</b>	–
At 31 December 2025	<b>859,191</b>	–

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2024: Nil).

## 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC. The Group finances its operations from shareholders' fund, sales of properties, issuance of senior notes, bank and other borrowings and perpetual capital securities. The Group has alternative plans to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

### (a) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, financial asset at FVPL, senior notes, exchangeable bonds, bank borrowings and syndicated loans are in other currencies. As at 31 December 2025, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, exchangeable bonds, bank borrowings and syndicated loans denominated in HK\$, US\$ and other currencies. Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of reporting period are as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
Monetary assets		
HK\$	<b>222,900</b>	179,970
US\$	<b>759,642</b>	2,305,284
Others	–	9,370
<b>Total</b>	<b>982,542</b>	2,494,624
Monetary liabilities		
HK\$	<b>12,743,498</b>	11,877,177
US\$	<b>15,664,226</b>	16,933,056
<b>Total</b>	<b>28,407,724</b>	28,810,233

**47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(a) Currency risk (Continued)**

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/(decrease) in RMB against the relevant currencies, the increase/(decrease) in the profit for the year is as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
5% increase in RMB against HK\$	<b>626,759</b>	584,881
5% decrease in RMB against HK\$	<b>(626,759)</b>	(584,881)
5% increase in RMB against US\$	<b>745,499</b>	731,415
5% decrease in RMB against US\$	<b>745,499</b>	(731,415)

**(b) Interest rate risk**

The Group's exposure to changes in interest rates is mainly attributable to its borrowings with variable rates exposing the Group to cash flow interest-rate risk. Borrowings with fixed rate, mainly included senior notes, bonds and other borrowings, expose the Group to fair value interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure.

As at 31 December 2025 and 2024, if interest rates on borrowings had been 100 basis points higher or lower with all other variables held constant, interest charges for the years ended 31 December 2025 and 2024 would have increased or decreased by RMB204,970,000 and RMB219,293,000 respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

## 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Credit risk

The Group is exposed to credit risk in relation to its contract asset, trade and other receivables, cash deposits with banks and financial guarantees. The carrying amounts of contract assets, trade and other receivables, restricted cash, cash and cash equivalents, financial guarantees provided to related companies and guarantees on mortgage facilities represent the Group's maximum exposure to credit risk in relation to financial assets.

For contract assets and trade and other receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses 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 expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited with state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are considered:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of individual property owner or the borrower
- Significant increases in credit risk on other financial instruments of the individual property owner or the borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Credit risk (Continued)

##### Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

##### 2025

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Contract assets	–	–	–	2,258,059	2,258,059
Trade and other receivables (excluding prepayments and prepaid value added taxes)	36,342,899	5,977,759	1,758,406	10,990,368	55,069,432
Restricted cash	2,128,162	–	–	–	2,128,162
Cash and cash equivalents	3,451,029	–	–	–	3,451,029
<b>Total</b>	<b>41,922,090</b>	<b>5,977,759</b>	<b>1,758,406</b>	<b>13,248,427</b>	<b>62,906,682</b>

##### 2024

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Contract assets	–	–	–	2,420,673	2,420,673
Trade and other receivables (excluding prepayments and prepaid value added taxes)	36,670,470	3,210,641	1,609,807	11,054,674	52,545,592
Restricted cash	2,957,752	–	–	–	2,957,752
Cash and cash equivalents	4,231,734	–	–	–	4,231,734
<b>Total</b>	<b>43,859,956</b>	<b>3,210,641</b>	<b>1,609,807</b>	<b>13,475,347</b>	<b>62,155,751</b>

## 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Credit risk (Continued)

#### Maximum exposure and year-end staging (Continued)

For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 25 to the financial statements.

As at 31 December 2025, the gross carrying amount of contract assets and trade and other receivables (excluding prepayments and prepaid value added taxes) was RMB57,327,491,000 (2024: RMB54,966,265,000) and the loss allowance provision of RMB8,370,628,000 (2024: RMB5,528,059,000) was made thus the maximum exposure to loss was RMB48,956,863,000 (2024: RMB49,438,206,000). During the year ended 31 December 2025, the Group provided certain guarantees to certain third parties in respect of their loan facilities. As at 31 December 2025, save for the amounts disclosed in note 41, there was no other outstanding guarantee.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

### (d) Liquidity risk

Management aims at maintaining sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flow. The directors of the Company have prepared cash flow projections for the year ended 31 December 2025. Key assumptions used in the preparation of the cash flow projections for the year ended 31 December 2025 included: (1) proceeds from pre-sales of 2025 would be subject to reasonable decrease according to market condition; (2) construction payments match receipt of the relevant proceeds from pre-sales; (3) the Group will alter the land acquisition plan according to the market situation and cash surplus; and (4) available project loan facility is expected to cover the predicted bank and other borrowings to be obtained.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include control on investment in land bank, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing, disposing of non-core properties and buildings, obtaining financial support from the founding shareholder, etc. The Group will pursue such options based on its assessment of relevant future costs and benefits. The directors of the Company consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities maturity profile at the end of reporting period. The amounts disclosed thereon are the contractual undiscounted cash flows. Balances due within 12 months from the end of reporting period equal to their carrying amounts in the consolidated statement of financial position, as the impact of discount should not be significant.

Contractual maturities of financial liabilities	On demand	Between	Between	Over	Total
	or less than 1 year RMB'000	1 and 2 years RMB'000	2 and 5 years RMB'000	5 years RMB'000	
<b>At 31 December 2025</b>					
Borrowings	41,587,334	6,610,621	1,921,597	–	50,119,552
Trade and other payables*	46,723,597	2,771,764	1,643,430	1,042,333	52,181,124
Lease liabilities	33,589	17,059	9,849	133	60,630
Financial guarantees	17,790,568	1,688,884	195,919	1,466,480	21,141,851
<b>Total</b>	<b>106,135,088</b>	<b>11,088,328</b>	<b>3,770,795</b>	<b>2,508,946</b>	<b>123,503,157</b>

Contractual maturities of financial liabilities	On demand	Between	Between	Over	Total
	or less than 1 year RMB'000	1 and 2 years RMB'000	2 and 5 years RMB'000	5 years RMB'000	
<b>At 31 December 2024</b>					
Borrowings	40,934,547	5,091,075	6,983,820	–	53,009,442
Trade and other payables*	40,977,645	2,430,899	1,441,325	914,150	45,764,019
Lease liabilities	59,584	27,370	12,946	372	100,272
Financial guarantees	16,159,996	2,211,089	309,000	1,466,480	20,146,565
<b>Total</b>	<b>98,131,772</b>	<b>9,760,433</b>	<b>8,747,091</b>	<b>2,381,002</b>	<b>119,020,298</b>

\* Excluding staff welfare benefit payable, other taxes payable and advance from disposal of equity interests.

## 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (e) Capital management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the unnecessary cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of any returns to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated statement of financial position. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less total of cash and cash equivalents and restricted cash.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Total borrowings (note 31)	<b>46,805,715</b>	48,916,334
Less: Cash and cash equivalents (note 28)	<b>(3,451,029)</b>	(4,231,734)
Restricted cash (note 27)	<b>(2,128,162)</b>	(2,957,752)
Net borrowings	<b>41,226,524</b>	41,726,848
Total equity	<b>17,953,102</b>	40,279,036
Gearing ratio	<b>229.63%</b>	103.60%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Assets</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	448,520	448,520
<b>Total non-current assets</b>	<b>448,520</b>	448,520
<b>Current assets</b>		
Amounts due from subsidiaries	67,592,376	72,160,494
Other receivables and prepayments	241,510	9,503
Cash and cash equivalents	10,403	6,885
<b>Total current assets</b>	<b>67,844,289</b>	72,176,882
<b>Total assets</b>	<b>68,292,809</b>	72,625,402
<b>Equity</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital and premium	5,378,677	5,378,677
(Accumulated losses)/retained earnings	(4,922,029)	752,416
	456,648	6,131,093
Perpetual Capital Securities	16,374,349	15,317,290
<b>Total equity</b>	<b>16,830,997</b>	21,448,383
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	7,335,238	20,388,303
<b>Total non-current liabilities</b>	<b>7,335,238</b>	20,388,303
<b>Current liabilities</b>		
Borrowings	12,424,630	150,956
Amounts due to subsidiaries	28,629,360	28,718,339
Other payables and accruals	3,072,584	1,919,421
<b>Total current liabilities</b>	<b>44,126,574</b>	30,788,716
<b>Total liabilities</b>	<b>51,461,812</b>	51,177,019
<b>Total equity and liabilities</b>	<b>68,292,809</b>	72,625,402

Chen Zhuo Lin  
Chairman

Yue Yuan  
Director

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

(a) A summary of the Company's reserves is as follows:

	Retained earnings/ (accumulated losses) RMB'000
<b>For the year ended 31 December 2025</b>	
Balance at 1 January 2025	752,416
Loss for the year	(5,674,445)
Balance at 31 December 2025	(4,922,029)
<b>For the year ended 31 December 2024</b>	
Balance at 1 January 2024	1,799,452
Loss for the year	(1,047,036)
Balance at 31 December 2024	752,416

## 49 EVENTS AFTER THE REPORTING PERIOD

The Group as the following events subsequent to the end of the reporting period:

On 5 March 2026, 玉林市新滔環保科技有限公司 (Yulin Xintao Eco Technology Co., Ltd.\*) (the "Seller"), a subsidiary of the Company, entered into a letter of intent with 玉林溢華環保科技有限公司 (Yulin Yihua Environmental Protection Technology Co, Ltd.\*) (the "Purchaser") where the Purchaser intends to acquire land, factory buildings and other immovable properties, as well as equipment, pipelines, construction in progress and other operating fixed assets (the "Target Assets") from the Seller in cash. Then on 27 March 2026, the Seller entered into a Formal Agreement with the Purchaser where the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Assets for consideration of RMB1,150 million.

On 22 April 2026, 南通雅信企業管理諮詢有限公司 (Nantong Yaxin Enterprise Management Consulting Co., Ltd.\*) ("Nantong Yaxin") (an indirect non-wholly owned subsidiary of the Company), 中國房地產開發集團南通有限公司 (China Real Estate Development Group Nantong Co., Ltd.\*) ("China Real Estate Development Nantong") and 浙江祥雅房地產開發有限公司 (Zhejiang Xiangya Real Estate Development Co., Ltd.\*) (the "Project Company") entered into an equity transfer agreement, pursuant to which Nantong Yaxin agreed to sell, and China Real Estate Development Nantong agreed to purchase, the 50% equity interest of the Project Company for the consideration in the amount of RMB95,000,000. The consideration will be settled by China Real Estate Development Nantong assigning to Nantong Yaxin the debt in the principal amount of RMB95,000,000 owed to China Real Estate Development Nantong by the Project Company (the "Assigned Debt"). The Assigned Debt will be satisfied by the transfer of the Target Properties (as defined in the announcement of the Company dated 22 April 2026 in relation to disposal of equity interest in the Project Company) to Nantong Yaxin. Following completion of the transactions under the equity transfer agreement, the Company will cease to have any interest in the Project Company and the Project Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Project Company will no longer be consolidated in the financial results of the Company.

Please refer to the announcements of the Company dated 5 March 2026, 27 March 2026 and 22 April 2026 for details of the above matters.

\* The names of companies represent management's best efforts at translating the Chinese names of these companies, as no English names have been registered or are available.

## 50 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

# FIVE-YEAR FINANCIAL SUMMARY

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
<b>ASSETS</b>					
Non-current assets	<b>62,169,112</b>	71,073,558	90,991,166	93,268,932	98,698,937
Current assets	<b>109,290,951</b>	124,421,972	150,816,986	180,113,283	217,860,802
<b>Total assets</b>	<b>171,460,063</b>	195,495,530	241,808,152	273,382,215	316,559,739
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>17,953,102</b>	40,279,036	62,356,811	75,726,863	89,431,277
Non-current liabilities	<b>15,373,835</b>	18,163,831	36,289,847	45,400,127	63,683,953
Current liabilities	<b>138,133,126</b>	137,052,663	143,161,494	152,255,225	163,444,509
<b>Total liabilities</b>	<b>153,506,961</b>	155,216,494	179,451,341	197,655,352	227,128,462
<b>Total equity and liabilities</b>	<b>171,460,063</b>	195,495,530	241,808,152	273,382,215	316,559,739

## FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
<b>Operation</b>					
Revenue	<b>27,859,229</b>	43,345,885	43,310,454	54,034,327	73,027,763
Cost of sales	<b>(32,765,451)</b>	(43,867,079)	(43,834,877)	(53,033,344)	(54,006,694)
<b>Gross (loss)/profit</b>	<b>(4,906,222)</b>	(521,194)	(524,423)	1,000,983	19,021,069
<b>Other income and gains, net</b>	<b>256,353</b>	1,182,354	632,545	1,415,829	2,434,475
Selling and marketing costs	<b>(652,148)</b>	(1,160,939)	(1,090,094)	(1,232,913)	(3,102,342)
Administrative expenses	<b>(1,705,795)</b>	(2,628,008)	(3,809,526)	(4,020,451)	(4,004,139)
Net impairment losses on financial and contract assets	<b>(2,114,874)</b>	(2,129,756)	(1,517,160)	(1,687,410)	(500,245)
(Losses)/gains from disposal/derecognition of subsidiaries	<b>(2,896,116)</b>	(1,969,399)	(916,776)	853,958	4,261,335
Impairment of property, plant and equipment	<b>(527,831)</b>	(1,695,892)	(33,129)	(284,933)	–
Impairment losses on investments accounted for using the equity method	<b>(727,355)</b>	(20,199)	(99,277)	(1,401,226)	(313,733)
Other expenses	<b>(1,702,928)</b>	(2,266,933)	(2,197,504)	(1,156,477)	(279,393)
	<b>(14,976,916)</b>	(11,209,966)	(9,555,344)	(6,512,640)	17,517,027
Finance costs, net	<b>(478,303)</b>	(649,437)	(851,197)	(3,101,837)	(1,414,437)
Share of losses and profits of investments accounted for using the equity method	<b>(124,959)</b>	(653,665)	(1,444,061)	(757,452)	794,239
(Loss)/profit before income tax	<b>(15,580,178)</b>	(12,513,068)	(11,850,602)	(10,371,929)	16,896,829
Income tax expenses	<b>(6,402,395)</b>	(5,025,948)	(926,249)	(3,001,356)	(7,798,792)
<b>(Loss)/profit for the year</b>	<b>(21,982,573)</b>	(17,539,016)	(12,776,851)	(13,373,285)	9,098,037
<b>(Loss)/profit attributable to:</b>					
Shareholders of the Company	<b>(22,568,987)</b>	(17,216,324)	(13,801,195)	(14,981,154)	6,712,036
Holders of Perpetual Capital Securities	<b>1,057,059</b>	1,051,416	1,041,397	995,305	983,860
Non-controlling interests	<b>(470,645)</b>	(1,374,108)	(17,053)	612,564	1,402,141
	<b>(21,982,573)</b>	(17,539,016)	(12,776,851)	(13,373,285)	9,098,037
<b>(Loss)/earnings per share attributable to the shareholders of the Company for the year (expressed in Renminbi per share)</b>					
– Basic	<b>(4.473)</b>	(3.412)	(2.873)	(3.827)	1.729
– Diluted	<b>(4.473)</b>	(3.412)	(2.873)	(3.827)	1.729

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Chen Zhuo Lin\* (*Chairman and President*)  
Madam Yue Yuan\*  
Mr. Huang Fengchao\* (*resigned on 19 September 2025*)  
Mr. Chan Cheuk Hei\*\*  
Mr. Chan Cheuk Nam\*\*  
Mr. Chan Cheuk Hung\*\*  
(*re-designated as NED on 11 July 2025*)  
(*resigned on 1 April 2026*)  
Mr. Kwong Che Keung, Gordon#  
Mr. Hui Chiu Chung, Stephen# JP  
Dr. Peng Shuolong#

\* Executive Directors

\*\* NED(s)

# INED(s)

## BOARD COMMITTEES

### Audit Committee

Mr. Kwong Che Keung, Gordon (*Committee Chairperson*)  
Mr. Hui Chiu Chung, Stephen JP  
Dr. Peng Shuolong

### Remuneration Committee

Dr. Peng Shuolong (*Committee Chairperson*)  
Mr. Kwong Che Keung, Gordon  
Mr. Hui Chiu Chung, Stephen JP  
Madam Yue Yuan

### Nomination Committee

Mr. Hui Chiu Chung, Stephen JP (*Committee Chairperson*)  
Mr. Kwong Che Keung, Gordon  
Dr. Peng Shuolong  
Madam Yue Yuan

## Risk Management Committee

Madam Yue Yuan  
(*appointed as Committee Chairperson on 17 January 2025*)  
Mr. Hui Chiu Chung, Stephen JP  
(*appointed as member on 19 September 2025*)  
Dr. Peng Shuolong  
Mr. Chan Cheuk Hung  
(*ceased as member on 11 July 2025*)  
Mr. Huang Fengchao  
(*ceased as Committee Chairperson on 17 January 2025 and ceased as member on 19 September 2025*)

## Executive Committee

Mr. Chen Zhuo Lin (*Committee Chairperson*)  
(*appointed on 5 December 2025*)  
Madam Yue Yuan (*appointed on 5 December 2025*)

## COMPANY SECRETARY

Madam Ko Tsz San

## AUTHORISED REPRESENTATIVES

Mr. Chen Zhuo Lin  
Madam Ko Tsz San

## AUDITOR

Prism Hong Kong Limited (*appointed on 12 June 2025*)  
Registered Public Interest Entity Auditor  
Ernst & Young (*retired on 12 June 2025*)  
Registered Public Interest Entity Auditor

## LEGAL ADVISORS

### as to Hong Kong law:

Sidley Austin LLP  
Lu, Lai & Li Solicitors & Notaries  
Baker & McKenzie

### as to BVI and Cayman Islands laws:

Conyers Dill & Pearman

### as to US and English laws:

Sidley Austin LLP

### PRINCIPAL BANKERS

Agricultural Bank of China Limited  
China Minsheng Banking Corp., Ltd.  
Industrial and Commercial Bank of China Limited  
China Construction Bank Corporation  
Shanghai Pudong Development Bank Co., Ltd.  
China Guangfa Bank Co., Ltd.  
China CITIC Bank Corporation Limited  
Bank of China Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited  
Chong Hing Bank Limited

### REGISTERED OFFICE

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Cayman Islands

### PRINCIPAL PLACE OF OFFICE IN THE PRC

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Guangdong Province  
PRC  
Postal Code: 510623

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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South Tower, World Finance Centre  
Harbour City  
Kowloon  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited  
17/F., Far East Finance Centre  
16 Harcourt Road  
Hong Kong  
Telephone : (852) 2980 1333  
Facsimile : (852) 2861 1465

### INVESTOR RELATIONS

Capital Markets Department  
E-mail : [ir@agile.com.cn](mailto:ir@agile.com.cn)  
Telephone : (852) 2847 3383  
Facsimile : (852) 2780 8822

### WEBSITE

[www.agile.com.cn](http://www.agile.com.cn)

# CORPORATE INFORMATION (CONTINUED)

## LISTING INFORMATION

### A Equity Securities

- (1) The Company's ordinary shares (stock code: 3383) are listed on the Main Board of Hong Kong Stock Exchange.
- (2) A-Living's H shares (stock code: 3319) are listed on the Main Board of Hong Kong Stock Exchange.

(total of 1,460,250 H shares for an aggregate consideration of HK\$4,214,002.50 were bought back by A-Living on Hong Kong Stock Exchange during the year, which are held as treasury shares (as defined in the Listing Rules). As of 31 December 2025, A-Living held a total of 1,460,250 treasury shares.)

### B Debt Securities

- (1) The Company's debt securities listed on the Official List of SGX:
  - (i) US\$314 million 5.5% senior notes due 2025 (ISIN code: XS2361426559)
  - (ii) US\$500 million 5.75% senior notes due 2025 (ISIN code: XS2194361494)
  - (iii) US\$483 million 6.05% senior notes due 2025 (ISIN code: XS2243343204)
  - (iv) US\$450 million 5.5% senior notes due 2026 (ISIN code: XS2343627712)
- (2) The debt securities of Panyu Agile listed on the Shanghai Stock Exchange:
  - (i) RMB500 million initial 6.5% restructuring replacement bonds due 2028 (corporate bond code: 242678) (RMB50 million of which have been redeemed on 2 July 2025)
  - (ii) RMB180 million initial 5% public domestic corporate bonds due 2025 (corporate bond code: 115101) (fully redeemed and delisted on 26 June 2025)
- (3) The debt securities of Farsail listed on the Official List of SGX:
  - (i) HK\$2,407 million 7% exchangeable bonds due 2026 (ISIN code: XS2406577911)

### C Capital Securities

The Company's capital securities listed on the Official List of SGX:

- (1) US\$500 million initial 6.875% senior perpetual capital securities (ISIN code: XS1785422731)
- (2) US\$700 million initial 8.375% senior perpetual capital securities (ISIN code: XS2003471617)
- (3) US\$500 million initial 7.875% senior perpetual capital securities (ISIN code: XS2071413483)
- (4) US\$200 million initial 7.75% senior perpetual capital securities (ISIN code: XS2081524675)

### FINANCIAL CALENDAR

Unaudited interim results announcement	29 August 2025
Audited annual results announcement	31 March 2026
Forthcoming AGM	3 June 2026

### CLOSURE OF REGISTER OF MEMBERS AND OTHER KEY DATES

The Company's register of members will be closed during the following periods:

#### TO DETERMINE THE IDENTITY OF SHAREHOLDERS WHO ARE ENTITLED TO ATTEND AND VOTE AT THE FORTHCOMING AGM

Latest time for lodging transfer documents of shares	: 4:30 p.m. on Thursday, 28 May 2026
Period of closure of register of members	: Friday, 29 May 2026 to Wednesday, 3 June 2026 (both dates inclusive)
Record Date	: Wednesday, 3 June 2026

To qualify for attending and voting at the Forthcoming AGM, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the latest time for lodging transfer document of Shares.

### ANNUAL GENERAL MEETING

The Forthcoming AGM will be held on Wednesday, 3 June 2026. Notice of the Forthcoming AGM will be set out in the Company's circular dated 30 April 2026 and will be despatched together with this annual report to the Shareholders. Notice of the Forthcoming AGM and the proxy form will also be published on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)) and Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The said notice will also be published on SGX's website ([www.sgx.com](http://www.sgx.com)).

### DESPATCH OF CORPORATE COMMUNICATIONS

This annual report is available in both Chinese and English versions. Printed copies in either or both languages will be delivered to Shareholders in accordance with their indicated preference. This annual report is also published on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)), Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. For Shareholders whose Shares are being held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.

For environment protection reasons, the Company encourages Shareholders to view this annual report posted on the aforesaid websites.

# GLOSSARY

Agile or Company	Agile Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of Hong Kong Stock Exchange
Articles	the Articles of Association of the Company
A-Living	A-Living Smart City Services Co., Ltd.^ (雅生活智慧城市服務股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of Hong Kong Stock Exchange (stock code: 3319), and an indirect non-wholly owned subsidiary of the Company
Board	board of Directors of the Company
BVI	British Virgin Islands
CG Code	Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules, as amended from time to time
Chairman	chairman of the Board
Changjiang Hotel Company	Zhongshan Agile Changjiang Hotel Co., Ltd.^ (中山雅居樂長江酒店有限公司), a company incorporated in the PRC with limited liability
Chen's Family Trust	a family trust established by Top Coast as former trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this annual report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
Directors	directors of the Company
ESG	environmental, social and governance
Forthcoming AGM	annual general meeting of the Company to be held on 3 June 2026
Founding Shareholders	Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam
Full Choice	Full Choice Investments Limited, a company incorporated in Hong Kong with limited liability on 8 August 2016, being a joint trustee of Chen's Family Trust
GFA	gross floor area
Group	the Company and its subsidiaries

HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standards
Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 622 of the laws of Hong Kong)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
INED(s)	Independent non-executive Director(s) of the Company
JP	Justice of the Peace
Last AGM	annual general meeting of the Company held on 12 June 2025
Listing Rules	The Rules Governing the Listing of Securities on Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
NED(s)	Non-executive Director(s) of the Company
Panyu Agile	Guangzhou Panyu Agile Reality Development Co., Ltd.^ (廣州番禺雅居樂房地產開發有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC
President	president of the Company
RMB	Renminbi, the lawful currency of PRC
Securities Dealing Code for Directors	A code for securities transactions by Directors adopted by the Company
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Shareholder(s)	holder(s) of Shares
SGX	Singapore Exchange Securities Trading Limited

## GLOSSARY (CONTINUED)

then CG Code	the Corporate Governance Code in force during the year contained in Part 2 of Appendix C1 to the Listing Rules
Top Coast	Top Coast Investment Limited, a company incorporated in BVI with limited liability on 17 May 2005, being the former trustee of Chen's Family Trust
US	United States of America
US\$/USD	United States dollar(s), the lawful currency of US
%	per cent

<sup>^</sup> *for identification purposes only*

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