



北辰实业
BEIJING NORTH STAR

HKEx Stock Code: 0588
SSE Stock Code: 601588



2025
ANNUAL REPORT

Contents

Financial Highlights	2
Chairman's Report	4
Management Discussion and Analysis	6
Report on Corporate Governance	35
Profile of Directors and Senior Management	49
Report of the Directors	53
Independent Auditor's Report	68
Notes to the Consolidated Financial Statements	84
Supplementary Information	192
Directors' Proposal on the Appropriation of Profit for the Year of 2025	193
Corporate Information	194



Financial Highlights

RESULTS

Year ended 31 December	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000 (Restated)
Revenue	6,060,486	7,152,407	15,751,478	12,988,940	22,182,854
(Loss)/profit before income tax	(2,788,671)	(3,249,183)	1,076,351	(803,113)	1,590,588
Income tax expenses	493,018	337,030	1,066,161	722,064	1,350,530
(Loss)/profit for the year	(3,281,689)	(3,586,213)	10,190	(1,525,177)	240,058
Attributable to:					
Ordinary shareholders of the Company	(3,045,337)	(2,992,483)	140,407	(1,471,352)	207,374
Investors of perpetual bonds	—	—	—	25,359	137,783
Non-controlling interests	(236,352)	(593,730)	(130,217)	(79,184)	(105,099)

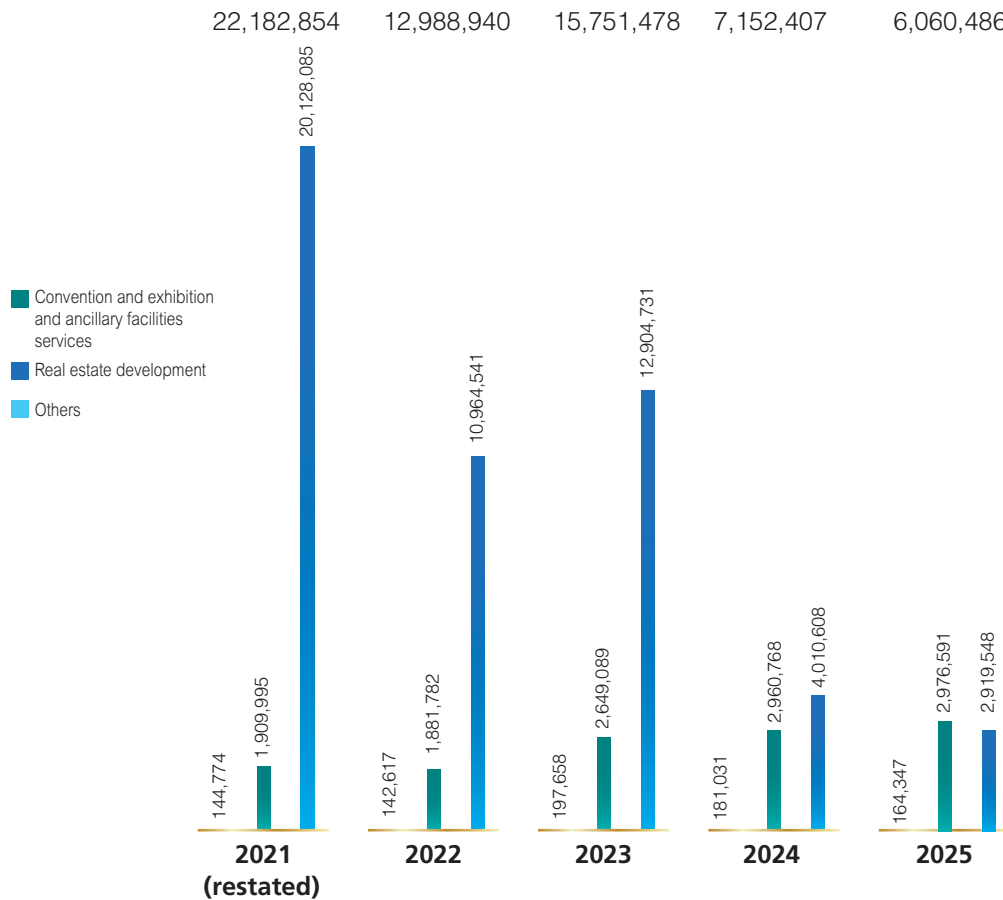
ASSETS AND LIABILITIES

As at 31 December	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000 (Restated)
Total assets	51,868,258	57,619,449	65,155,827	76,112,736	88,479,352
Total liabilities	36,182,810	39,268,837	42,927,967	53,528,643	62,610,819
Total equity	15,685,448	18,350,612	22,227,860	22,584,093	25,868,533

Financial Highlights (Continued)

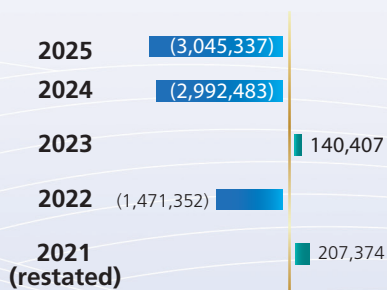
REVENUE BY BUSINESS

RMB'000



(LOSS)/PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

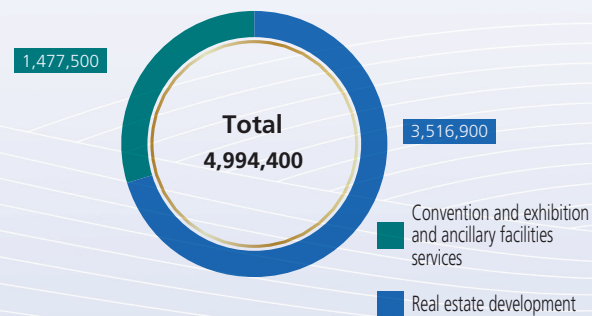
RMB'000



GROSS AREA OF PROPERTY PORTFOLIO

m²

For the year ended 31 December 2025



Chairman's Report

Dear Shareholders,

On behalf of the board of directors (the "**Board**"), I am pleased to present to you the operating results of the Company for the year ended 31 December 2025 (the "**Reporting Period**").

As of 31 December 2025, according to the Hong Kong Financial Reporting Standards ("**HKFRS**"), during the Reporting Period, the Company recorded an operating revenue of RMB6,060,486,000, representing a year on-year decrease of 15.27%. Loss before tax and loss attributable to ordinary shareholders amounted to RMB2,788,671,000 and RMB3,045,337,000, respectively. In particular, the after-tax core operating losses of the principal activities of the Company (excluding losses arising from the changes in fair value) were RMB2,768,310,000; the loss (after taxation) on changes in fair value of investment properties during the Reporting Period was RMB277,027,000. Loss per share was RMB0.9045.

Looking back on 2025, the macroeconomic environment remained complex and volatile, and the real estate industry continued to undergo profound adjustment. In the face of development challenges, the Company remained committed to its strategic direction of "synergistic development and reform-driven innovation," maintained a clear focus on its core responsibilities and principal businesses, deepened the integration and synergies of resources across its various business segments, and continued to enhance management efficiency. In terms of the convention and exhibition business, the Company continued to advance the development of its full industry-chain presence and provided high-quality service guarantee for a number of major state and governmental events, including the Global Leaders' Meeting on Women. For the first time, the CIFTIS was conducted at a single venue, further promoting the market-oriented and digital development of its primary organizing and hosting operations. The Phase II project of the China National Convention Center and the Capital International Exhibition and Convention Center, two major municipal-level key projects under the Company's entrusted management, were put into operation to a high standard. The Company's portfolio of entrusted venue operations continued to expand, further strengthening its brand influence and industry leadership. In terms of convention and exhibition ancillary facilities services, the Company adopted an industry-driven approach to asset operations. The development of the three major industrial parks delivered notable results, while asset operating efficiency and professional service capabilities continued to improve steadily. The Asia Olympic Business District New Consumption Innovation Alliance entered a new stage of normalized operations, and together with the Changsha Beichen Riverside Business District New Lifestyle Innovation Alliance, formed a new pattern of "north-south linkage." In terms of real estate development business, the Company coordinated efforts to reduce inventory, ensure project delivery, mitigate risks and pursue transformation. Through a multi-pronged approach to implementing tailored strategies for each project, the Company steadily advanced its business transformation amid the deep adjustment of the industry.

2026 marks the first year of the 15th Five-Year Plan. The Company will remain committed to strengthening its "grand convention and exhibition" business as its core, while leveraging digital and intelligent transformation to promote the deeper and more coordinated development of all business segments. In particular, the convention and exhibition business will serve as a leading force and key driver in building a new business framework centred on government-sponsored events, international events, proprietary branded events, and the provision of one-stop convention and exhibition services for leading enterprises. The convention and exhibition and ancillary facilities services business prioritizes asset value enhancement as its core objective, leveraging the industrial park's resource aggregation advantages around the "convention and exhibition +" model to establish new benchmarks in asset operations. The real estate development business will remain firmly committed to maintaining its bottom line while accelerating transformation, shifting from a traditional property developer to a professional urban renewal service provider built on the "convention and exhibition +" model.

Chairman's Report (Continued)

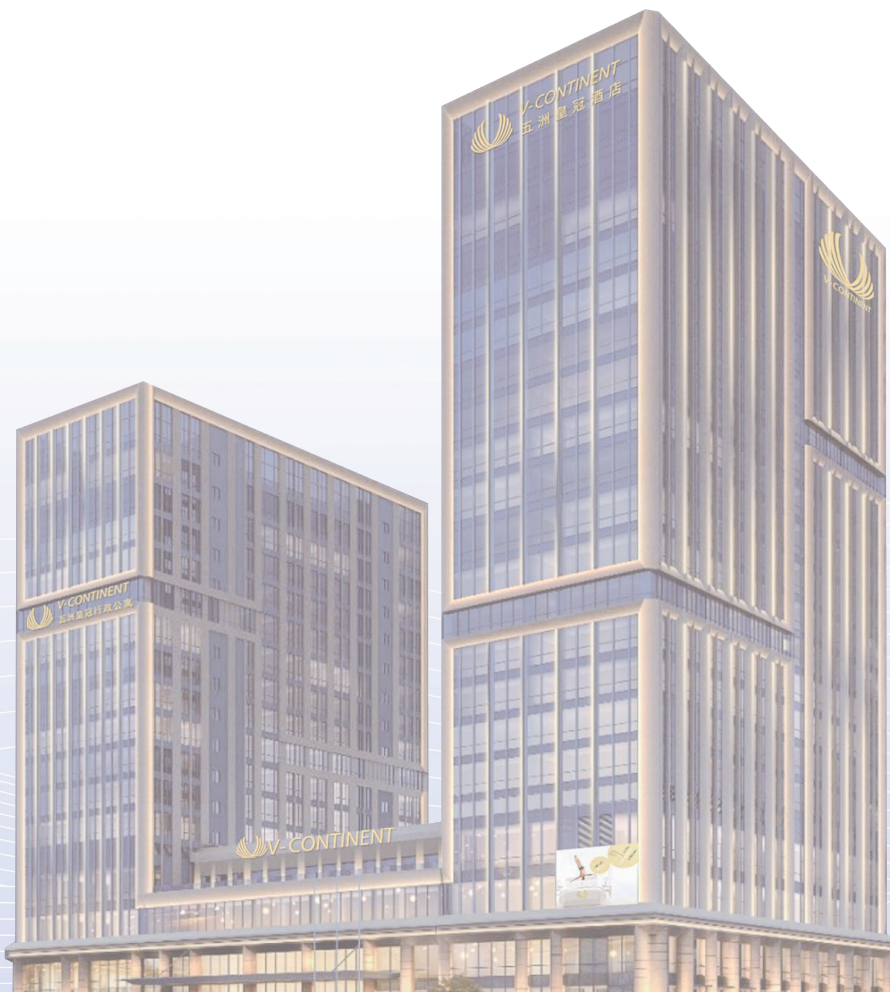
I firmly believe that, guided by the corporate spirit of “loyalty, commitment, co-creation and shared excellence,” all staff members of North Star will, with a strong sense of mission and a high degree of responsibility, confront challenges head-on and strive for excellence. We will live up to the trust placed in us by our investors and work relentlessly to build the Company into a leading enterprise in China and a globally recognised leader across the convention and exhibition industry chain, as well as a comprehensive operator empowered by the “convention and exhibition +” model.

Finally, on behalf of the Board, I would like to express our most sincere gratitude to all shareholders who have been supporting the development of the Company, and also to all the members of the Board and the management of the Company for their due diligence, and I would like to extend our heartfelt thanks to all the staff members of the Company for all the hard work they have done!

By Order of the Board



ZHANG Jie
Chairman



Management Discussion and Analysis

I. BUSINESS IN WHICH THE COMPANY WAS ENGAGED DURING THE REPORTING PERIOD

The Company's main businesses include convention and exhibition and ancillary facilities services, and real estate development.

1. Convention and Exhibition and Ancillary Facilities Services

The Company leverages Capital Convention (Group) Co., Ltd. ("**Capital Convention**") as a platform to vigorously integrate convention and exhibition resources, continuously strengthening the extension and expansion of new businesses and new technologies in the convention and exhibition industry. Actively promoting the layout of the whole industry chain of convention and exhibition, it has become a professional operator of the China International Fair for Trade in Services (herein after referred to as "**CIFTIS**"), a service provider for high-end state affairs and governmental activities, an important carrier for the development of the capital's international convention and exhibition industry, which undertakes the mission of focusing on the functional positioning of the capital city and cultivating the core competitiveness of the capital's convention and exhibition industry, and contributes to the development of Beijing's "Four Centers" (四個中心) functions and the construction of an international consumption center city, and is committed to building a "domestically leading and internationally advanced chain leader enterprise in the convention and exhibition industry chain" (國內領軍、國際領先的會展產業鏈鏈主企業).

The Company leverages Beijing North Star Commercial Management Co., Ltd. (北京北辰商業管理有限公司) as a platform to coordinate the provision of ancillary facilities services for conventions and exhibitions, carry out asset operations with an industry-oriented approach, carry out professional asset operation and property services management for businesses and assets held by the Company, such as office buildings, apartments and integrated commercial properties, and actively support the development of Beijing as an international science and technology innovation center and a global benchmark city for the digital economy, which contributes to the building of an asset operation and management model and a standard property management system with North Star's characteristics, thereby setting a new benchmark for asset management in the Beijing Asia Olympic business district.

2. Real Estate development

The real estate development business of the Company has formed a multi-regional and multi-level development layout on a national scale, engaging in the business of diversified and multi-grade property development and operation involving residence, apartments, villas, office buildings and commercial properties. As at the end of the Reporting Period, the development projects and land reserves of the Company were located in 15 core cities, including Beijing-Tianjin-Hebei, the Yangtze River Economic Zone, the Sichuan-Chongqing City Cluster, Hainan Free Trade Port and the Greater Bay Area of Guangdong, Hong Kong and Macau.

Management Discussion and Analysis (Continued)

II. DEVELOPMENT OF THE INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

In 2025, in the face of complex changes in the domestic and international economic environment, the PRC comprehensively implemented the new development philosophy, promoted high-quality development, coordinated both domestic and international priorities, adopted more proactive and effective macroeconomic policies, and advanced the development of a unified national market. Overall, the national economy operated at a stable level, with economic development moving towards new and superior direction, with the annual growth rate of GDP reaching 5.0%.

1. Convention and Exhibition and Ancillary Facilities Services

In 2025, the development environment for the convention and exhibition industry continued to improve. The central and local governments intensively introduced support measures to promote the industry's digital and green transformation, deepen the integrated development model of "convention and exhibition +" (會展+), amplify the comprehensive driving effect of the convention and exhibition industry, and steadily enhance its level of internationalization and specialization. The hotel industry generally remained in a weak recovery phase, with holidays serving as the key driver of performance. However, the pace of demand recovery lagged behind the growth in supply, resulting in relatively intense overall competition in the industry, and hotels in non-tourism destinations faced considerable operational challenges. The office market in Beijing remained in a bottoming adjustment phase. No large-scale new supply entered the market during the year, and the vacancy rate showed a slight decline. Meanwhile, tenants maintained relatively strong bargaining power, and landlords generally adopted preferential measures to attract tenants and stabilize occupancy rates, with rental levels remaining on a downward trend.

2. Real Estate development

In 2025, the real estate industry remained in a stage of deep adjustment and transitional recovery. In terms of policy, the Central Government emphasized the continued promotion of stabilizing and reversing the decline in the real estate market, optimizing policies for the acquisition of existing commercial housing inventory, systematically advancing the development of "good housing" (好房子), promoting high-quality urban renewal, and accelerating the establishment of a new development model for the real estate sector. Local governments adhered to city-specific and targeted policy measures, activating rigid and upgrade housing demand through various initiatives, including optimizing purchase and resale restriction policies, lowering minimum down payment ratios and mortgage interest rates, and deepening reforms of housing provident fund policies.

In terms of the market, the real estate market maintained a recovery momentum in the first quarter, weakened in the second quarter, and the sales scale of commodity housing in core cities tended to stabilize in the fourth quarter amid promotional activities by real estate developers. Driven by the introduction of improved quality properties, the average transaction price of new commodity housing continued to show a slight structural upward trend. However, differentiation among cities remained significant, with third – and fourth-tier cities primarily focused on digesting inventory projects, and downward pressure on housing prices persisted. According to the statistics from the National Bureau of Statistics of China, in 2025, the commodity housing sales area in the real estate market of the PRC was 732.99 million square meters, representing a year-on-year decrease of 9.2%, while the sales of commodity housing amounted to RMB7,333.5 billion, representing a year-on-year decrease of 13.0%. The land market throughout the year showed a trend of "higher in the first half and lower in the second half". In the first half of the year, core cities accelerated the supply of high-quality land parcels, driving a significant increase in residential land transfer fees. In the second half of the year, the supply of high-quality land parcels in core cities slowed, and the overall heat of the land market declined.

Management Discussion and Analysis (Continued)

III. DISCUSSION AND ANALYSIS ON THE OPERATIONS

In 2025, the Company focused on “coordinated development and reform-driven innovation” (協同發展、改革創新), actively planned its business development, deepened the integration and coordinated linkage of multi-format resources, and continuously enhanced management efficiency. The Company continued to strengthen its core segments of convention and exhibition and ancillary facilities services, as well as real estate development, making every effort to address industry challenges while seeking new growth opportunities.

(I) Convention and Exhibition and Ancillary Facilities Services

During the Reporting Period, the convention and exhibition and supporting facilities services segment closely aligned with national strategies and industry development needs, leveraging synergies across the entire business chain to elevate both operational efficiency and market presence to new heights.

1 *Enhanced exhibition service capacity and operational efficiency*

Relying on five key business pillars, namely service support for high-end state and government affairs activities, organization and hosting of convention and exhibition events, operation and management of venues and hotels, convention and exhibition industry research and consulting, and a digital integrated service platform, the Company has built a “domestically leading and internationally advanced chain leader enterprise in the convention and exhibition industry chain” (國內領軍、國際領先的會展產業鏈主企業) by actively expanding government-related and international exhibitions, vigorously cultivating self-owned brand exhibitions, and providing one-stop convention and exhibition services to leading enterprises in strategic emerging industries.

Management Discussion and Analysis (Continued)

(1) Comprehensive service capabilities for state and government affairs activities continued to strengthen

The Company has deeply integrated into the strategic plan of establishing Beijing, the capital, as an international exchange center. During the Reporting Period, the Company successfully completed service support tasks for a number of major state and government affairs events, including the Global Women's Summit (全球婦女峰會), the Fourth Ministerial Meeting of the China-CELAC Forum (中拉論壇第四屆部長級會議), the 10th Annual Meeting of the Board of Governors of the Asian Infrastructure Investment Bank in 2025 (2025 年亞洲基礎設施投資銀行第十屆理事會年會), the Third Session of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議北京市第十四屆委員會第三次會議), the Fourth China-Africa Economic and Trade Expo (第四屆中國－非洲經貿博覽會), the 2025 SCO Tianjin Summit (2025 年上合組織天津峰會), and the 12th Beijing Xiangshan Forum (第十二屆北京香山論壇). "North Star Service" received high recognition from the organizers, which further enhanced its brand influence.



1 Venue for the opening ceremony of the 10th Annual Meeting of the Board of Governors of the Asian Infrastructure Investment Bank (AIIB) in 2025

2 The China National Convention Center provided "North Star Service" for the Fourth Ministerial Meeting of the China-CELAC Forum

3 Beijing International Convention Center hosted and served the Third Session of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference

4 The 12th Beijing Xiangshan Forum was held at the Global Convention Center

Management Discussion and Analysis (Continued)

(2) The market-oriented level of organizing and hosting convention and exhibition organization continued to improve

The Company's exhibition and convention organization business closely aligns with the development of new productive forces and the construction of an international consumption center city, focusing on key sectors such as biopharmaceuticals, artificial intelligence, embodied robotics, and the elderly economy. During the Reporting Period, exhibition projects including the 2025 China International Fair for Trade in Services (2025年服貿會), the 29th World Gas Conference (第29屆世界燃氣大會), the 11th Beijing International Exhibition on Senior Industry (第十一屆北京國際老齡產業博覽會), the International Association of Science Parks and Areas of Innovation (IASP) 2025 World Conference (國際科技園及創新區域協會(IASP) 2025 年世界大會), the 2025 Beijing International Healthy Lifestyle Consumption Expo (2025 北京國際健康生活消費博覽會), the 2025 Beijing Half Marathon Expo (2025 北京半程馬拉松博覽會), the 2025 ICCA Global Venue Forum (2025 年 ICCA 全球場館論壇), the 2025 China Refrigeration Expo (2025 中國製冷展), and the 27th China Beijing International High-Tech Expo (第二十七屆中國北京國際科技產業博覽會) were successfully organized and hosted. Among them, the 2025 China International Fair for Trade in Services focused on internationalization, digital intelligence and distinctive features, integrating the "two parks and one river (兩園一河)" (Shougang Park (首鋼園), Yuanboyuan Park (園博園) and Yongding River (永定河)) to create an "convention and exhibition town (會展小鎮)". Further breakthroughs were achieved in key areas including exhibition display, conference forums and market-oriented investment promotion. The total number of visitors to the fair reached 282,000, representing a year-on-year increase of 8%. The proportion of international exhibitors exceeded 20%, and both market-oriented revenue and sponsorship income achieved growth. During the event, more than 40 supporting activities were held, showcasing nearly 140 typical cases of "Beijing Services (北京服務)", and over 900 cooperation outcomes were reached. In addition, the Company innovatively integrated culture, commerce, tourism, sports and exhibitions, and prepared and hosted a new indoor temple fair – the first Dadu New Year Temple Fair – creating an immersive festive consumption scenario that integrates "technology, international style and Chinese characteristics" (科技感、國際範、中國味).

Management Discussion and Analysis (Continued)



1 The 29th World Gas Conference was held at the Phase II of the China National Convention Center

2 The 11th Beijing International Exhibition on Senior Industry in 2025 was hosted at the China National Convention Center

3 Beijing International High-Tech Expo (CHITEC)

4 The 2025 ICCA Global Venue Forum was hosted at the China National Convention Center

5 Opening Ceremony of the 2025 China Refrigeration Expo held in Saudi Arabia

6 China Refrigeration Expo

Management Discussion and Analysis (Continued)

(3) The scale of venue and hotel operation and management continued to expand steadily

During the Reporting Period, the Company hosted 2,397 various types of convention and exhibition events at its self-owned venues and hotels, representing a year-on-year increase of approximately 6.9%, with total visitor traffic reaching 5.0337 million.

The Phase II project of the China National Convention Center (國家會議中心二期項目) and the Capital International Exhibition and Convention Center (首都國際會展中心), both under the Company's entrusted management, commenced operation during the Reporting Period. The Phase II project of the China National Convention Center is an important facility serving Beijing's role as an international exchange center and China's home diplomacy. After its commencement of operations, it formed, together with the Company's self-owned China National Convention Center, a world-class convention and exhibition complex with a total scale exceeding 1.3 million square meters. During the Reporting Period, it hosted 55 conferences each with more than 1,000 participants and 60 exhibitions each covering more than 10,000 square meters, becoming an important platform and window for Beijing's international exchange activities. The Capital International Exhibition and Convention Center, as an important platform for Beijing to expand in the services sector, has a total gross floor area of 611,000 square meters and an indoor exhibition area of nearly 210,000 square meters. Upon its commencement of operations, it became the largest single exhibition venue in Beijing with the most comprehensive functions and the most advanced technologies. During the Reporting Period, it operated in coordination with the Shunyi Hall of the China International Exhibition Center, hosting the largest exhibition in Beijing's history – the 19th China International Machine Tool Show (第十九屆中國國際機床展覽會) —with a total exhibition area of 310,000 square meters, setting new records for both the exhibition area of a single event in Beijing and the scale of the exhibition itself. Both venues actively explored multifunctional and diversified uses, successively hosting events including the Vienna New Year Concert (維也納新年音樂會), the Beijing International Yanjing Beer Culture Festival (北京國際燕京啤酒文化節), the “Zhong Man Cup” Fencing Open (“仲滿杯”擊劍公開賽), as well as automobile brand launch events for Hongqi (紅旗), Xiaomi (小米) and Li Auto (理想). Among them, the Capital International Convention Center was recognized as “2025 Global First Launch Center – First Launch Vitality Center” in Beijing.

Management Discussion and Analysis (Continued)

At the same time, the Company's brand output management business continued to lead the national market. During the Reporting Period, the Company newly signed entrusted management contracts for six venues and hotels, including the Xinjiang Shihezi International Convention and Exhibition Center (新疆石河子國際會展中心), Tacheng Central Asia Cultural Exchange Center (塔城中亞文化交流中心), and the Xiong'an International Academic Exchange Center Hotel (雄安國際學術交流中心酒店), as well as three consulting projects. To date, the Company's venue and hotel management output business has expanded into 30 cities across China, covering Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao, Chengdu-Chongqing and other important strategic development areas in China. The Company has undertaken 76 venue and hotel consultancy projects and 64 entrusted management projects, with the total managed venue area under entrusted management reaching nearly 7 million square meters. The Company has reached a new milestone in the scale of its self-owned and entrusted management venues, becoming the largest exhibition and convention operator in China in terms of both the number of venues and overall scale.



1 The Capital International Exhibition and Convention Center

2 Phase II of the China National Convention Center

3 The 34th Beijing International Yanjing Beer Culture Festival (the 2025 Yanjing Beer Summer Carnival) was held at the Capital International Exhibition and Convention Center

4 Bird's-eye view renderings of Shihezi International Convention and Exhibition Center

Management Discussion and Analysis (Continued)

Table 1: Convention and exhibition venue and hotel projects under entrusted management of the Company to date

No.	Location	Name
1	Beijing City	Beijing Jinhai Lake International Convention & Exhibition Center
2		Shougang Convention & Exhibition Center
3		ZGC International Innovation Center
4		Beijing V-Continent Tongzhou Crown Zhenpin Hotel
5		Phase II project of the China National Convention Center
6		Capital International Exhibition and Convention Center
7	Chongqing City	Chongqing BBMG V-Continent Crown Hotel
8		Chongqing BBMG V-Continent Crown Executive Apartment
9		Chongqing V-Continent China Communications City Crown Hotel
10	Shijiazhuang City, Hebei Province	Shijiazhuang International Convention & Exhibition Center
11	Zhangjiakou City, Hebei Province	North Star V-Continent Zhangjiakou Crown Hotel
12		North Star V-Continent Wanquan Crown Hotel
13		North Star V-Continent Huai'an Garden-style Hotel
14	Xiong'an New District, Hebei	Xiong'an Convention & Exhibition Center
15		Xiong'an Convention Center Hotel
16		Xiong'an International Academic Exchange Center Hotel
17	Langfang City, Hebei Province	V-Continent Yongqing Crown Hotel
18		North Star V-Continent Yinfeng Crown Hotel

Management Discussion and Analysis (Continued)

No.	Location	Name
19	Xingtai City, Hebei Province	Xingtai World Exhibition & Convention Center Project, Xingtai Convention Center
20		Ancillary hotels for Xingtai Convention Center
21	Guangzhou City, Guangdong Province	Nansha International Convention & Exhibition Center
22	Zhuhai City, Guangdong Province	Zhuhai International Convention & Exhibition Center
23		North Star Zhuhai JinYE V-Continent Crown Hotel
24		Zhuhai V-Continent Athletes Apartment
25		Zhuhai V-Continent Crown Athletes' Comprehensive Center
26	Fuzhou City, Fujian Province	Fuzhou Digital China Convention & Exhibition Center
27	Nanjing City, Jiangsu Province	Yangtze International Convention Center
28		Yangtze International Convention Center Hotel
29		Longshan Lake Hotel at the Yangzi River International Conference Center (Apartments and Serviced Apartments)
30		V-Continent Nanjing Executive Apartment
31		Nanjing V-Continent Crown Hotel
32	Nantong City, Jiangsu Province	Nantong International Convention & Exhibition Center
33		Nantong V-Continent Crown Hotel
34	Lianyungang City, Jiangsu Province	Lianyungang Continental Bridge Convention Center
35		Ancillary hotels for Lianyungang Continental Bridge Convention Center
36	Taizhou City, Jiangsu Province	Taizhou China Medical City Exhibition Center

Management Discussion and Analysis (Continued)

No.	Location	Name
37	Hangzhou City, Zhejiang Province	Hangzhou International Expo Center
38		Hangzhou International Expo Center North Star Hotel
39	Lishui City, Zhejiang Province	Lishui International Convention & Exhibition Center
40		Ancillary hotels for Lishui International Convention & Exhibition Center
41	Huzhou City, Zhejiang Province	Anji International Convention & Exhibition Center
42		Ancillary hotels for Anji International Convention & Exhibition Center
43	Qingdao City, Shandong Province	Qingdao SCO International Convention Center
44		Qingdao SCO Pearl International Expo Center (Hall A)
45	Dezhou City, Shandong Province	Dezhou Tianqu International Convention & Exhibition
46	Yuncheng City, Shanxi	Yuncheng Convention and Exhibition Center
47	Chengdu City, Sichuan Province	Chengdu Airport International Convention Center
48		Chengdu Airport International Convention Center Hotel
49	Wuhan City, Hubei Province	North Star V-Continent Wuhan China Communications City Crown Hotel
50		Wuhan Automotive Supply Chain Industrial Park
51		Ancillary hotels for the Wuhan Automotive Supply Chain Industrial Park Project
52	Changsha City, Hunan Province	North Star V-Continent Changsha China Communications International Center Crown Hotel

Management Discussion and Analysis (Continued)

No.	Location	Name
53	Zhengzhou City, Henan Province	Zhengzhou Central Culture District Culture Exchange Center
54		Ancillary hotels for Zhengzhou Central Culture District Culture Exchange Center
55		Zhengzhou International Cultural Exchange Center
56	Tonghua City, Jilin Province	North Star V-Continent Tonghua Wanfeng Crown Hotel
57		Tonghua V-Continent Canchuang Crown Hotel
58	Hohhot City, Inner Mongolia Autonomous Region	V-Continent Commerce Hohhot Jinqiao Development Zone Hotel
59	Guilin City, Guangxi Zhuang Autonomous Region	Guilin International Conference and Exhibition Center
60		Ancillary hotels for Guilin International Conference and Exhibition Center
61	Nyingchi City, Tibet Autonomous Region	V-Continent Linzhi Hotel
62	Shihezi City, Xinjiang Uygur Autonomous Region	Shihezi International Convention and Exhibition Center
63	Tacheng Prefecture, Xinjiang Uygur Autonomous Region	Tacheng Central Asia Cultural Exchange Center
64		Service Base of the Tacheng Central Asia Cultural Exchange Center

Management Discussion and Analysis (Continued)

2. *Steady improvement in the quality and efficiency of convention and exhibition and ancillary facilities services*

(1) **Implementing asset operations with an industrial mindset**

By integrating internal resources, the Company has established a comprehensive portfolio of office products exceeding 500,000 square meters in total scale. This portfolio encompasses diverse commercial spaces including premium-grade, grade-A, and grade-5A facilities. We executed targeted marketing strategies for the Asian Games and Olympic Games regional markets while innovating a digital marketing matrix and creating distinctive community events. This approach formed a comprehensive marketing ecosystem to enhance customer loyalty. During the reporting period, we secured contracts with leading enterprises across multiple sectors including TMT, energy, and finance, achieving a net absorption of approximately 40,000 square meters.

(2) **Actively promote investment attraction efforts in industrial parks**

Leveraging resources from professional exhibitions such as the Science and Technology Expo, we have focused on strategic emerging industries to form a three-park industrial cluster and improved the operational quality of ancillary facilities such as office buildings. During the Reporting Period, the Chaoyang Data Factor Industrial Park (朝陽數據要素產業園) successfully signed 37 clients, achieving an industrial concentration rate of 82%. Simultaneously, we introduced China's first reliable data circulation space for automobiles, established the Artificial Intelligence Convention and Exhibition Industrial Park (人工智能會展產業園), and took on the Smart Robot Innovation Application Base (智能機器人創新應用基地), supporting Beijing's development as an international science and innovation hub and a global benchmark city for the digital economy.



1 Chaoyang Data Factor Industrial Park at North Star Center

Management Discussion and Analysis (Continued)

(3) Fully committed to expanding our property management services

The North Star Yue (北辰悦) property management service system has undergone a comprehensive upgrade. During the Reporting Period, we successfully took over projects such as the Beijing Olympic Tower and the “I Love My Family” (我爱我家) office building, achieving zero service interruption and zero customer complaint. This has established a new benchmark for asset management in Beijing’s Asia Olympic business district.

(4) Continuously enhance commercial project operational capabilities

During the Reporting Period, the Changsha North Star commercial project achieved independent operation and was officially renamed “Changsha North Star Center” (长沙北辰荟), marking a new chapter in North Star’s commercial self-operated ventures. Concurrently, the Beijing North Star Center project, managed under entrustment, continued to innovate its operational model and enhance the consumer experience. Within the Reporting Period, the project achieved a 99% occupancy rate, with total foot traffic exceeding 8.3 million visits, demonstrating steady improvements in commercial operational quality and market appeal.



1 New Year's Eve celebration at Changsha North Star Center

2 Eye-dotting at the opening ceremony of Changsha North Star Center on 20 September 2025

3 Riverside Commercial Street at Changsha North Star Center

Management Discussion and Analysis (Continued)

(5) Deepening the development of consumption alliances in the Asia Olympic and Binhai Business District

During the Reporting Period, the Asia Olympic Business District New Consumption Innovation Alliance was incorporated into the municipal-level coordination mechanism, marking the start of the alliance's entity-based, regularized, and standardized operations. Initiatives included the development of the "Asia Olympic Consumer Pass" (亞奧消費通票), and the inaugural launch of the Chaoyang Culinary Sightseeing Bus "Central Axis Line" (中軸專線), as well as hosting events such as the "Asia Olympic International Hi-Beer Festival" (亞奧國際嗨啤節). These efforts built multi-format integrated consumption scenarios. Concurrently, in collaboration with enterprises and institutions including the Hunan Provincial Museum and Hunan Tv & Broadcast Intermediary, we initiated the establishment of the "Changsha Beichen Riverside Business District New Lifestyle Innovation Alliance" (長沙北辰濱江商圈新生活創新聯盟), focusing on six new consumption scenarios – nightlife, recreation, culture and sports, festivals, exhibitions, and digital sectors, forming a "north-south linkage" framework with the Asia Olympic Business District New Consumption Innovation Alliance. This will establish a "grand convention and exhibition" framework to support the Company's brand building, market expansion, and further enhancement of its influence.



1 Interior of the Beijing Chaoyang Food Tour Bus

2 Central Axis Line of the Beijing Chaoyang Food Tour Bus

3 Fan bus services for the Honor of Kings Annual Finals at the Global Convention Center

4 Fan bus services for the Honor of Kings Annual Finals at the Global Convention Center

Management Discussion and Analysis (Continued)

Table 2: Leasing of convention and exhibition and ancillary facilities during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Leased area (square meter)	Rental income	Equity proportion (%)
1	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Bin Plaza	Office building	37,800	5,320	100
2	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Xin Plaza	Office building	40,900	4,342	100
3	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Times Tower	Office building	131,300	13,553	100
4	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star Century Center	Office building	149,800	19,157	100
5	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Zhen Building	Office building	8,400	2,005	100
6	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Yuan Apartment	Apartment	184,300	25,012	100
7	A13 Beiyuan Road, Chao Yang District, Beijing	B5 Commercial Area of North Star Green Garden	Commercial	49,700	3,102	100
8	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star Plaza	Commercial	100,000	11,530	100
9	No. 9, Gaoxin 2nd Road, Hongshan District, Wuhan City, Hubei Province	Wuhan Guangguli	Commercial	29,600	2,019	100
10	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star New Space	Office building	31,000	4,426	100

Management Discussion and Analysis (Continued)

Notes:

1. The B5 Commercial Area of North Star Green Garden has been leased to Beijing Shopin Retail Development Co., Ltd. (北京市上品商業發展有限責任公司) since August 2016.
2. Leased area represents the total construction area of the project.
3. Rental income represents the operating income of the project.
4. Leased area and rental income of North Star Times Tower have included the leased area and rental income of the Xinchengli Shopping Centre commercial project.

(II) Real Estate Development

Amid the complex environment of ongoing adjustments in the real estate market, the Company has been deeply exploring operational potential, coordinating efforts to reduce inventory, ensure project delivery, mitigate risks, and pursue transformation, thereby maintaining stable operations in its real estate business.

1. Precision marketing accelerated project sales

Responding to market shifts and seizing policy windows, the Company developed tailored strategies for each project. Themed campaigns including the “New Year Home Purchase Season” (新春購房季), “Heart-Pounding May Holiday Luju Haigou Festival” (心動五一旅居嗨購節), and “Auto Dealers Festival” (車商節) were launched with flexible promotional adjustments. During the Spring Festival period, pre-sales and contract signings achieved significant year-on-year growth. Simultaneously, digital marketing efforts were intensified to boost online customer acquisition, with the “North Star Cheng Xiangjia” (北辰橙享家) platform achieving a record-high proportion of digital marketing transactions in recent years. During the Reporting Period, the Company recorded contract sales (including parking spaces) of RMB3.217 billion, with a sales area of 253,300 square meters. Notably, the North Star Red Oak Villa project achieved strong sales upon launch, ranking first in Beijing in terms of number and area of units sold.

2. Strengthen construction efforts to ensure smooth delivery

Enhancing meticulous control throughout the project lifecycle, rigorously managing costs and ensuring engineering quality while advancing development and construction. During the Reporting Period, 1,093,900 square meters of projects starting or resuming construction, and 138,800 square meters completed. Notably, the final phase of the Changsha North Star project – Building 1 in Zone A2 – successfully reached its structural completion milestone. Buildings 2 and 4 achieved completion readiness, marking the full structural completion of all project structures. Concurrently, project deliveries progressed steadily and orderly, with nearly 2,000 units delivered throughout the year. Among these, the Changsha North Star Delta Yuejiangyang project achieved its bulk delivery half a year ahead of schedule.

Management Discussion and Analysis (Continued)

3. Strictly control risks to drive transformative development

Adhering to the principle of “spending based on revenue”, strengthen budgetary and process controls to ensure secure and stable cash flow. Through a three-pronged strategy of “liquidation and deregistration, absorption mergers, and equity transfers,” we consolidate regional resources, enhance per-capita efficiency, expedite the exit of tail-end projects, and revitalize dormant assets.

Table 3: Real estate reserve during the Reporting Period

No.	Region(s) of the land held for development	Land area held for development (square meter)	Planned plot ratio based gross floor area (square meter)	Whether cooperative development project is involved	Area of cooperative development project (square meter)	Percentage of interest in cooperative development project (%)
1	Wuhan North Star Guangguli	134,800	337,000	No	–	100
2	Langfang North Star Xianglu	56,900	296,800	No	–	100
3	Chongqing • Yuelai Mansion One	167,400	918,000	No	–	100

Notes:

1. Land area held for development represents the gross construction area of undeveloped portion of project land;
2. Planned plot ratio-based gross floor area represents the data calculated with reference to the conditions of assignment at the time of project auction;
3. Area of cooperative development project represents the plot ratio-based gross floor area attributable to the interest held by the Company;
4. During the Reporting Period, total land reserve of the Company was 3,516,900 square meters; equity land reserve was 3,288,600 square meters, with no newly added real estate reserve.

Management Discussion and Analysis (Continued)

Table 4: Investment in real estate development during the Reporting Period

Unit: 100 million Currency: RMB

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/Completed projects	Project area (square meter)	Planned plot ratio-based gross floor area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
1	Haidian, Beijing	Beijing North Star Xianglu	Residence	Completed	142,400	230,000	312,100	-	312,100	28.59	-
2	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	Under construction	287,500	150,000	213,700	40,200	173,500	34.00	2.78
3	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	Under construction	52,800	109,300	132,500	1,400	131,100	23.47	-
4	Changping, Beijing	Beijing Jinchun Mansion	Residence	Completed	86,600	170,400	280,100	-	280,100	53.17	0.12
5	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	Completed	26,000	66,200	104,100	-	104,100	24.78	0.15
6	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	Under construction	780,000	3,820,000	5,200,000	236,500	4,894,700	407.08	9.39
7	Changsha, Hunan	Changsha North Star Central Park	Residence	Completed	336,300	720,000	927,100	-	927,100	26.03	0.56
8	Changsha, Hunan	Changsha North Star Shuangli	Residence and commercial	Completed	27,700	107,900	145,400	-	145,400	12.28	0.60
9	Wuhan, Hubei	Wuhan North Star Guanggu	Commercial service	Under construction	84,200	337,000	492,000	-	357,200	25.81	0.46
10	Wuhan, Hubei	Wuhan North Star Blue City	Residence and commercial	Under construction	358,000	716,000	980,100	17,000	745,400	102.68	0.63
11	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	Completed	75,200	172,800	220,400	-	220,400	9.88	0.65

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/Completed projects	Project area (square meter)	Planned plot ratio-based gross floor area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
12	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	Completed	50,500	126,200	180,900	-	180,900	12.42	0.33
13	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 068)	Residence and commercial	Under construction	63,200	158,100	227,700	227,700	-	16.38	0.02
14	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	Completed	50,500	151,400	212,100	-	212,100	18.72	0.09
15	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	Completed	69,000	179,500	276,600	-	276,600	52.18	3.40
16	Ningbo, Zhejiang	Ningbo Beichentū	Residence	Completed	47,300	137,400	189,700	-	189,700	45.20	0.27
17	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	Completed	68,700	116,800	166,400	-	166,400	22.43	0.41
18	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	Completed	170,000	288,800	392,900	-	392,900	65.70	2.24
19	Wuxi, Jiangsu	Wuxi Tianyi Jizhu	Residence	Completed	88,000	196,000	255,400	-	255,400	28.60	0.03
20	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lylun	Residence and commercial	Completed	63,600	158,600	237,000	-	237,000	9.83	0.0001
21	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	Completed	40,400	96,900	148,300	-	148,300	16.16	-
22	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	Completed	88,000	210,000	297,100	-	297,100	26.25	0.49
23	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	Completed	26,600	79,800	120,000	-	120,000	18.03	-
24	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	Completed	80,100	160,300	227,300	-	227,300	22.00	0.14
25	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	Completed	59,900	149,800	197,400	-	197,400	16.32	0.46
26	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	Completed	69,900	84,000	126,600	-	126,600	15.08	-

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/Completed projects	Project area (square meter)	Planned plot ratio-based gross floor area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
27	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	Under construction	140,700	296,800	414,500	-	357,700	31.28	1.45
28	Langfang, Hebei	Langfang North Star Blue City (Lot 2018-4)	Residence	Under construction	82,500	164,800	245,600	245,600	-	24.56	3.42
29	Langfang, Hebei	Langfang Xingchenli (Lot 2019-3)	Commercial	Under construction	21,100	52,800	75,400	75,400	-	5.45	
30	Langfang, Hebei	Langfang North Star (Lot 2020-5)	Residence	Under construction	46,200	92,000	135,400	135,400	-	13.43	1.16
31	Yubei, Chongqing	Chongqing • Yuehai Mansion One	Residence and commercial	Under construction	429,100	918,000	1,321,100	-	1,153,600	115.93	3.71
32	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	Completed	68,200	102,200	150,400	1,000	150,400	24.64	0.84
33	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	Completed	106,800	206,000	281,100	-	281,100	36.31	0.38
34	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 116)	Residence and commercial	Under construction	25,900	77,800	113,700	113,700	-	12.00	0.02
35	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	Completed	25,100	76,600	110,600	-	110,600	9.66	0.21

Notes:

1. Total investment amount represents the estimated total investment amounts for each project;
2. During the Reporting Period, the Company's new construction area was zero square meter; the area for new and resumed construction was 1,093,900 square meters; and the completed area was 138,800 square meters.

Management Discussion and Analysis (Continued)

Table 5: Sales and booked sales of real estate during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) Area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
1	Haidian, Beijing	Beijing North Star Xianglu	Residence	2,869	2,869	2,869	3,619	492
2	Chao Yang, Beijing	Beijing North Star Fudi	Residence and commercial	3,131	83	83	47	-
3	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	980	980	1,225	3,251	447
4	Chao Yang, Beijing	Beijing Bihai Fangzhou	Residence	830	-	-	-	1,499
5	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	27,729	14,213	11,317	47,580	3,517
6	Changping, Beijing	Beijing Jinchen Mansion	Residence	82,791	4,895	6,052	22,026	89
7	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	10,466	1,538	-	-	-
8	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	78,089	20,128	37,888	66,431	26,242
9	Changsha, Hunan	Changsha North Star Central Park	Residence	8,393	383	5,188	9,358	992
10	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	11,206	4,294	6,144	2,312	160
11	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	62,222	1,318	1,337	1,278	120
12	Wuhan, Hubei	Wuhan North Star Blue City	Residence and commercial	43,834	8,258	10,392	5,463	133
13	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	54,187	48,440	32,917	91	15,795
14	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	21,681	6,668	10,021	4,504	102
15	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	29,286	1,916	-	-	-
16	Hangzhou, Zhejiang	Hangzhou North Star Shushan Project	Residence and commercial	7,304	1,546	1,546	2,193	-
17	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	40,658	10,517	8,573	9,919	2,148
18	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	7,510	-	-	14	-

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) Area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
19	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	5,950	5,470	5,725	7,176	121
20	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	122,047	24,865	29,442	30,253	505
21	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	601	196	196	285	-
22	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	7,056	-	-	252	-
23	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	4,476	-	126	-	-
24	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	9,828	54	736	578	111
25	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	5,641	-	230	182	246
26	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	24,858	10,667	13,111	8,915	407
27	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	10,124	9,030	9,187	8,291	139
28	Langfang, Hebei	Langfang North Star Blue City	Residence	139,155	18,918	-	-	18,918
29	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	135,386	44,258	50,581	41,641	1,540
30	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	54,718	5,276	8,101	8,598	-
31	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	35,584	2,489	3,540	6,802	485
32	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	2,373	-	-	127	-
33	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	5,393	4,018	-	-	-

Notes: During the Reporting Period, the Company's sales amount was RMB3,217 billion; sales area was 253,337 square meters; settlement amount was RMB2,920 billion; settlement area was 256,528 square meters; the area to be booked as at the end of the Reporting Period was 75,334 square meters.

Management Discussion and Analysis (Continued)

(III) Digitalization Initiatives

1. *Enhancing the digitalization of exhibition and conference operations*

During the Reporting Period, by upgrading the digital and intelligent capabilities of its self-owned exhibition venues and entrusted venues, the Company completed the upgrade and renovation of the smart exhibition venue operation and management platform, establishing a unified Software-as-a-Service (“SaaS”) digital operation and management platform. This initiative standardized digital operation and management standards and processes, thereby enhancing the efficiency and quality of venue services. During the Reporting Period, the Company launched an AI assistant “Xiao Fu”(小福) in conjunction with the China International Fair for Trade in Services, leveraging digital and intelligent technologies to enhance trade matching and exhibition operations. It also established digital platforms such as Metropolis Exhibition (大都會展) to promote the value transformation of convention and exhibition data assets and the scalable development of digital business operations.

2. *Embarking on the digital and smart transformation of the convention and exhibition industry and ancillary facilities*

During the Reporting Period, the Company initiated the establishment of the “Artificial Intelligence Convention and Exhibition Ecological Alliance” (人工智能會展生態聯盟) to support the digital and intelligent transformation of the convention and exhibition industry and ancillary facilities, as well as their coordinated development within the ecosystem. In terms of digital marketing, the Company launched the “Asia Olympic Circle”(亞奧圈) digital platform, launched the digital construction of the “Bei Ji Xing” (北極星) grand membership system, integrated the digital marketing resources of the two major business segments of convention and exhibition and ancillary facilities services and real estate development, and built a unified external digital marketing platform to achieve “unified brand promotion, unified channel expansion, unified resource allocation” to effectively improve the overall efficiency of resource allocation and comprehensive market competitiveness. In terms of data governance, we strengthened the data governance system, unified the data foundation, and standardized control and operational data, successfully obtaining two authoritative certifications: Data Management Capability Maturity Model (DCMM) Party A Level 3 (Robust Level) and Digital Transformation Maturity Model (DLMM) Scenario Level (Three-Star Rating).

(IV) Financing Activities

The Company strengthened its overall fund management, enhanced debt management and control, and reasonably reduced the scale of interest-bearing liabilities to provide stable funding support for the business development of the Company. As at the end of the Reporting Period, the total financing amounted to RMB23.32 billion. At the same time, the Group continued to optimize its debt structure, rationally plan financing channels and strive to reduce capital costs, so that the overall average financing cost was further reduced to 3.56%.

Management Discussion and Analysis (Continued)

Table 6: Financing of the Company during the Reporting Period

Unit: 0'000 Currency: RMB

Total financing amount as at the end of the period	Overall average financing cost (%)	Interest capitalised
2,332,207	3.56	9,466

IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company's strengths and core competitiveness primarily manifest in the comprehensive influence of its convention and exhibition brands and its integrated real estate development and operational capabilities. Leading domestic convention and exhibition services, coupled with specialized, branded hotels, office buildings, apartments, and mixed-use commercial properties, provide the Company with a stable revenue foundation. In recent years, the Company has centered its operations around convention and exhibition services and supporting facilities. Through its convention-driven strategy, it has fostered synergistic development across its real estate segment. These two business pillars are interconnected and mutually supportive, ensuring the Company's steady and healthy growth.

In the convention and exhibition and ancillary facilities services segment, leveraging nearly 30 years of professional convention and exhibition operations and international service experience, the Company actively develops the convention and exhibition ecosystem industry. Aiming to become a comprehensive solutions provider for the convention and exhibition sector, it is building a full-industry-chain development model. Regarding its primary organizing and hosting operations, the Company serves as the official professional operator for the CIFTIS, responsible for the market-oriented and internationalized operations of the event. As one of the principal organizers of China Refrigeration Expo – one of the most influential professional exhibitions in the heating, ventilation, air conditioning, and refrigeration industry in China and globally – the Company leverages its professional operational capabilities and resource advantages to provide robust support for the event's expansion, specialization, and internationalization. In convention and exhibition venue management, the Company maintains its position as China's largest operator through both self-owned venues and light asset management services. Key self-owned venues include the China National Convention Center, Beijing International Convention Center, and Changsha North Star International Convention Center, while its output of light asset management services span across 30 cities and regions nationwide. Within convention and exhibition services, the Company leverages its managed venues to provide exhibitors with services including booth construction, logistics, and information technology solutions.

In the real estate sector, the Company possesses comprehensive property development and operational capabilities, encompassing diverse projects such as high-end residences, villas, apartments, affordable housing, office buildings, and commercial properties. It demonstrates strong professional expertise and competitiveness in developing large-scale, integrated real estate projects. Aligning with current industry trends, the Company actively innovates its development model by advancing synergistic "convention and exhibition + real estate" projects.

Additionally, the Company leverages the advantages of the "headquarters financing" model. With its strong credit standing and risk management capabilities, it has established long-term, stable strategic partnerships with multiple banks and financial institutions, securing significant advantages in loan interest rates. Simultaneously, the Company actively explores diversified financing channels such as medium-term notes, corporate bonds, and asset securitization. It continuously optimizes its overall debt structure, maintains low financing costs, and effectively enhances its risk-bearing capacity.

Management Discussion and Analysis (Continued)

V. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD

In 2025, the Company achieved operating revenue of RMB6,060,486,000, representing a year-on-year decrease of 15.27%, which was mainly attributable to the decrease in completed area of the real estate development segment. Meanwhile, the Company's loss before tax and loss attributable to ordinary shareholders amounted to RMB2,788,671,000 and RMB3,045,337,000, respectively, due to the loss in the real estate business. The after-tax core operating loss of the Company's main business (excluding losses arising from the changes in fair value) was RMB2,768,310,000, while during the period, the losses (after taxation) on changes in fair value of investment properties were RMB277,027,000. Loss per share was RMB0.9045.

Of which, the convention and exhibition and ancillary facilities services segment achieved operating revenue of RMB2,976,591,000 during the Reporting Period, representing a slight increase of 0.53%. Despite efforts to expand the market, there was a change in the revenue structure during the Reporting Period, and the profit before tax amounted to RMB348,561,000, representing a year-on-year decrease of 29.17%. The real estate development segment achieved operating revenue of RMB2,919,548,000 (including parking spaces) during the Reporting Period, representing a year-on-year decrease of 27.20%, while the loss before tax amounted to RMB2,953,043,000, representing a decrease in loss of RMB467,124,000.

VI. THE COMPANY'S DISCUSSION AND ANALYSIS OF FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry Landscape and Trend

The year 2026 marks the beginning of the "15th Five-Year Plan" period. The Fourth Plenary Session of the 20th CPC Central Committee outlined the guiding principles and primary objectives for economic and social development during this phase, emphasizing the need to fully, accurately, and comprehensively implement the new development philosophy, accelerate the formation of a new development paradigm, and adhere to the general principle of pursuing progress while ensuring stability. The Central Economic Work Conference further proposed implementing more proactive macroeconomic policies, continuously expanding domestic demand and optimizing supply, enhancing new growth drivers while revitalizing existing resources, developing new productive forces tailored to local conditions, and advancing the construction of a unified national market in depth.

Regarding convention and exhibition and ancillary facilities services, the nation continues to refine the institutional mechanisms of modern service industries, positioning the convention and exhibition economy as a key driver for smoothing industrial cycles and stimulating consumption growth. The convention and exhibition sector is thus poised to seize development opportunities in scenario innovation and brand upgrading. The Eighth Plenary Session of the 13th Beijing Municipal Party Committee first proposed promoting the integrated development of "culture, commerce, tourism, sports, and exhibitions," offering vast potential for upgrading the Asia Olympic areas. Meanwhile, newly constructed convention and exhibition venues nationwide are progressively coming online, while Beijing's existing facilities continue to expand capacity. This intensifies spatial competition within the industry, placing higher demands on enterprises' operational capabilities, brand influence, and resource integration proficiency.

Management Discussion and Analysis (Continued)

Regarding real estate development operations, the industry will remain in a period of profound adjustment. The nation is focusing on stabilizing the real estate market by implementing city-specific policies to control new supply, reduce inventory, and optimize supply. It is deepening reforms to the housing provident fund system, promoting the orderly construction of “quality housing,” vigorously implementing urban renewal, and accelerating the establishment of a new model for real estate development. These efforts provide significant opportunities for enterprises to drive their transformation in the real estate sector.

(II) Development Strategy of the Company

The Company adheres to the principle of “synergistic development and reform-driven innovation,” focusing on strengthening the “mega convention and exhibition” industry as its core. Leveraging digital and intelligent empowerment as its driving force, it promotes deep synergy across all business segments. The Company is fully committed to becoming a domestically leading and internationally advanced chain leader enterprise in the convention and exhibition industry chain, as well as a comprehensive operator empowered by the “convention and exhibition +” model.

1. *Convention and Exhibition and Ancillary Facilities Services*

The Company will focus on serving the national agenda and advancing the development of Beijing’s “four centers” functions, firmly seize the development opportunities presented by new-quality productive forces, promote the high-quality development of the convention and exhibition industry. We will fully leverage the industry’s role and functions within strategic emerging industries, and drive the integrated development of ancillary facilities such as hotels, office buildings, apartments, and integrated commercial complexes.

The Company builds a new business framework centered on four pillars and eight supporting elements. The four pillars are our core business of government-sponsored exhibitions, international events, proprietary brand shows, and one-stop exhibition services for leading enterprises. The supporting elements encompass lean venue operations, enhanced entrusted management, standardized service systems, diversified business formats, deep vertical industry integration, a proprietary brand matrix, centralized procurement, and digital platform development. Simultaneously, we deepen our model transformation by building a new business model through “expanding, extending, and complementing the industrial chain.” Positioned as an “industrial development partner,” we focus on advantageous industrial sectors, providing full-chain, high-value-added services to establish an “convention and exhibition +” industrial ecosystem. We accelerate product innovation to create a product portfolio characterized by standardized offerings, commercialized exhibits, and specialized content, thereby achieving comprehensive upgrades in venue management and other services, and leveraging core data to streamline product sales channels. We expand our client base by incorporating all entities across the convention and exhibition industry value chain into our customer roster, utilizing data platforms to enable precise insights and marketing.

Management Discussion and Analysis (Continued)

The Company prioritizes asset value enhancement as its core objective, leveraging the industrial park's resource aggregation advantages around the "convention and exhibition +" model to establish new benchmarks in asset operations. We will strengthen the integration of the Asia Olympic Business District and the Changsha Riverside Business District through "north-south linkage", and innovate models such as the "event economy" and "ticket stub economy" to establish a cross-regional commercial district cooperation model. We will drive upgrades in commercial products and customer service, refine differentiated product and pricing systems, and optimize tenant structures. We will intensify efforts in developing three major industrial parks, build one-stop services covering the entire industrial chain, and transform customer service from "leasing coordination" to "ecosystem cultivation." Create a vibrant hub for emerging entrepreneurs in the Asia Olympic area by selecting premium apartment projects. Leverage the "live-work integration" advantage to transform into an "ecosystem service provider for new entrepreneurial spaces." Strengthen the "North Star Yue" property brand, enhance refined property management, and continuously expand operational scale.

2. *Real Estate Development*

The Company prioritizes "risk prevention, transformation promotion, and cash flow stabilization" as core tasks, driving the real estate business toward transformation into a specialized urban renewal service provider anchored by "convention and exhibition +" initiatives. Full efforts are dedicated to implementing "one project, one strategy" to accelerate sales of flagship projects, ensuring delivery of key projects. We are reshaping our business core by aligning with the "convention and exhibition +" development strategy, planning urban renewal and district operation projects that complement convention and exhibition venues. We will expand growth opportunities through service upgrades. We are revitalizing existing assets through intensive management, accelerating the integration of remaining inventory projects, and enhancing the operational efficiency of existing assets by combining leasing and sales, and leveraging leasing to drive sales.

3. *Digitalization Initiatives*

The Company will actively cultivate new digital businesses, systematically advance digital transformation centered on the service ecosystem spanning the upstream and downstream of the convention and exhibition industry, the commercial district ecosystem of the Asia-Olympic City, and the Company's various business formats. Through measures such as control digitization, convention and exhibition venue digitization, hotel digitization, and digitized coordination of event and consumption, it will enhance industrial operational efficiency and strengthen the Company's core competitiveness.

4. *Financing and Capital Expenditure*

The Company will enhance its capital planning by fully leveraging the "headquarters financing" model, diversifying financing methods, and broadening financing channels while strengthening liability management and control. Additionally, the Company will prioritize improving the efficiency of capital utilization, effectively reducing expenditures, and ensuring the quality of collection of sales proceeds to safeguard the cash flow of the Company.

In 2026, the Company's estimated fixed asset investment is RMB162 million, the payment of which will be made according to the construction progress. The source of funds will be internal funds.

Management Discussion and Analysis (Continued)

(III) Operation Plans

The convention and exhibition and ancillary facilities service segment is fully committed to enhancing professional support capabilities for major state affairs and high-level exhibitions. It will innovate the market-oriented operation of the CIFTIS, promote multifunctional and diversified use of venues, and focus on festive holidays and key dates by hosting the “Dadu New Year Temple Fair” series of events to foster the integrated development of culture, commerce, tourism, sports, and exhibitions.

The real estate development segment is fully committed to advancing efforts to reduce inventory, prevent risks, lower costs, and minimize losses. In 2026, it is projected to achieve a total construction area of 956,000 square meters for new and resumed projects, with a completion area of 386,000 square meters. The segment aims to realize a sales area of 343,000 square meters and secure contracted sales (including parking spaces) valued at RMB3.4 billion.

(IV) Potential Risks

1. *Market Risk*

The real estate market is currently in a period of adjustment. Although the policy front continues to release positive signals, such as the introduction of a series of favorable measures including reserve requirement ratio cuts, interest rate reductions, optimization of purchase restrictions, and support for housing consumption, homebuyer confidence has not yet significantly recovered. Market sentiment remains cautious, and the persistently sluggish market environment may lead to continued low levels of both volume and price in real estate market transactions. This could directly impact the efficiency of sales collections, and may pose certain risks to the stability of business operations.

In response to the aforesaid risks, the Company will pay close attention to the development trend of the market, and continuously optimize development strategies. Leveraging our competitive industries, we focused on synergistic development in areas such as urban renewal and “convention and exhibition +” (會展+), while maintaining an appropriate scale, and strive to strengthen professional management to improve the cash recovery rate, avoiding market risks.

2. *Risks of Talent Reserve*

The steady development of the convention and exhibition and commercial properties business of the Company in recent years has led to soaring demands for all kinds of talents, especially professional personnel and senior management personnel. The Company faces the risk of talent shortage.

In response to the aforesaid risk, the Company will implement a “six-step” strategy for talent selection and recruitment, with a focus on building a team of high-quality, professional cadre and outstanding young cadres and talents. Through various channels and means, including the launch of the “Excellent Training Programme”, university-enterprise cooperation, and the “internal training and external recruitment” of multi-skilled talents, the company continuously attracts and retains talents. While continuously refining and improving the system and mechanism that are conducive to the growth of young cadres and talents, the Company will step up its efforts in nurturing a pool of young cadres and talents, and enhance the targeted education and training as well as purposeful practical exercises based on the development needs of various sectors and industries, including the convention and exhibition and ancillary facilities services industry, real estate development sector. The Company will also provide specialized services, entrusted venue training, and cross-segments temporary appointment training to cultivate more multi-skilled talents with professional backgrounds.

Report on Corporate Governance

We seek to achieve the highest standards in corporate governance, the cornerstone of which is to have an experienced and committed board, and to enhance transparency for shareholders. The Company strives for adhering to the principles of corporate governance and has already adopted a well-accepted governance and disclosure practice, and will keep improving such practices, so as to nurture a corporate culture reaching high ethical standards.

The Company has fully complied with all the code provisions as set out in the Corporate Governance Code (as effective during the year) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) during the year.

The amendments to the Corporate Governance Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company for financial years commencing from 1 January 2026. All the corporate governance principles and code provisions mentioned in this report refer to those stated in the Corporate Governance Code before the amendments, not the revised Corporate Governance Code.

THE BOARD

Under the stewardship of the chairman, the Board is charged with the responsibility of approving and monitoring the overall strategic plans and policies of the Company, approving operation plans and investment proposals, regularly evaluating performance of the Company and overseeing the work of the Company's management.

A total of eight directors currently serve on the Board, including the chairman, four executive directors and three independent non-executive directors.

In accordance with the requirements of the Listing Rules, independent non-executive directors must be confirmed by the Board to have no direct or indirect material relationships with the Company before they are regarded as independent. The Company has received the annual written confirmation from each independent non-executive director of his independence and considers all independent non-executive directors to be independent of the Company. There is no financial, business, family or other material/related relationship existing among the directors.

In 2025, in order to ensure the directors being fully informed and accommodated with the needs for their contribution to the Board, all the directors of the Company actively participated in continuing professional development and participated in the themed training relevant to corporate governance organised by the regulatory authorities, and studied the laws, regulations and documents issued by regulatory authorities in a timely manner. On the first occasion of his/her appointment, every newly appointed director has received a comprehensive, formal and tailored induction on the responsibilities and ongoing obligations to be observed by directors pursuant to relevant laws and regulations.

Based on the training records provided to the Company by the directors, the directors have participated in the following training during the year ended 31 December 2025:

Name of Directors	Reading regulatory updates/attending training provided by regulatory authorities	Attending internal training sessions/seminars relevant to the business of the Company/directors' duties
Mr. ZHANG Jie	✓	✓
Ms. LIANG Jie	✓	✓
Mr. YANG Hua-Sen	✓	✓
Ms. ZHANG Wen-Lei (resigned on 18 March 2026)	✓	✓
Mr. HU Hao (resigned on 4 June 2025)	✓	✓
Mr. WEI Ming-Qian	✓	✓
Mr. ZHU Yan (appointed on 23 January 2026)	N/A	N/A
Dr. CHOW Wing-Kin, Anthony	✓	✓
Mr. GAN Pei-Zhong	✓	✓
Mr. CHEN De-Qiu (resigned on 24 January 2025)	N/A	N/A
Ms. QIAN Ai-min (appointed on 24 January 2025)	✓	✓

Report on Corporate Governance (Continued)

Note: On 28 December 2024, Mr. CHEN De-Qiu, an independent non-executive director of the Company, tendered his resignation as an independent non-executive director of the Company and from all positions in the various special committees under the Board and continue to perform his duties until the date on which a new independent non-executive director is elected by the first extraordinary general meeting of 2025 of the Company.

The terms of the independent non-executive directors of the Company have not exceeded the length limitation as stipulated by the domestic and foreign regulations.

The Board should meet regularly, and the Board meetings should be held at least 4 times a year. The Board had met 20 times in total during 2025. Notices of not less than fourteen days are given for all regular Board meetings to provide Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting.

Minutes of meetings are kept by the Company Secretary with copies circulated to the Board or relevant Board Committee for comments and records. Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant Board or committee members for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive directors, senior management and certain specific responsibilities to the Board committees. The delegated functions and responsibilities are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs.

The attendance of each of the directors is set out below:

Directors	No. of meetings attended in person/ No. of meetings held	No. of meetings attended by proxy (Note)/ No. of meetings held
<i>Executive directors</i>		
Mr. ZHANG Jie	20/20	0/20
Ms. LIANG Jie	20/20	0/20
Mr. YANG Hua-Sen	20/20	0/20
Ms. ZHANG Wen-Lei (resigned on 18 March 2026)	20/20	0/20
Mr. HU Hao (resigned on 4 June 2025)	10/10	0/10
Mr. WEI Ming-Qian	20/20	0/20
Mr. ZHU Yan (appointed on 23 January 2026)	N/A	N/A
<i>Independent non-executive directors</i>		
Dr. CHOW Wing-Kin, Anthony	20/20	0/20
Mr. GAN Pei-Zhong	19/20	1/20
Mr. CHEN De-Qiu (resigned on 24 January 2025)	3/3	0/3
Ms. QIAN Ai-min (appointed on 24 January 2025)	17/17	0/17

Note: Pursuant to Article 136 of the Articles of Association, a director can delegate in writing another director to attend Board meetings on his or her behalf if that director cannot attend the meetings for any reason.

Subsequent to the appointments, all directors must offer themselves for re-election in the annual general meeting in order to be able to continue to serve their terms, and should retire once every three years. In the event of a vacancy in the Board, recommended candidates should be referred to shareholders' general meeting for consideration and approval, with a view to appointing people possessing leadership abilities, in order to maintain and enhance the Company's competitiveness.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

In January 2005, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as the disciplinary rules governing securities dealings by the relevant directors of the Company. In 2025, having made specific enquiries to all directors of the Company, the Company confirmed that its directors have complied with the required standards as set out in the Model Code throughout the year.

Report on Corporate Governance (Continued)

THE CHAIRMAN AND GENERAL MANAGER

The positions of chairman of the Board and the general manager are respectively held by, Mr. ZHANG Jie and Ms. LIANG Jie, which are two clearly defined positions.

The chairman is responsible for leading and supervising the operations of the Board, effectively planning the Board meetings, ensuring the Board is acting in the best interests of the Company. The chairman shall proactively encourage directors to fully participate in the business of the Board and to make contributions to the functioning of the Board. To this end, the Board meets at regular intervals while the chairman must meet at least once annually with the independent non-executive directors individually. Under the stewardship of the chairman, the Board has adopted well accepted practices and procedures in corporate governance, and has undertaken appropriate measures to maintain effective channels of communication with the shareholders.

The general manager is responsible for the administration of the Company's business, as well as the formulation and implementation of Company's policies, and answerable to the Board in relation to the Company's overall operation. The general manager of the Company works in close collaboration with the other executive directors and the administrative and managerial team of each core business department of the Company, ensuring the Board is made fully aware of the development status of the Company's businesses. Assisted by the financial controller of the Company, the Company's general manager ensures the funding needs of the business operation of the Company are sufficiently met and at the same time closely monitors the operation and financial performance of the Company according to the business plans and budget of the Company, and takes remedial measures as the circumstance requires, and offers opinions to the Board on substantive development and matters. The general manager of the Company is required to keep in close liaison with the chairman and all directors, ensuring that the latter are well briefed on all substantive business development and matters of the Company, and taking a leading role in building and maintaining a highly efficient administrative support team to help him or her to discharge the assigned duties in this position.

ACCOUNTABILITY OF DIRECTORS ON COMPANY'S FINANCIAL STATEMENTS

Directors are charged with the responsibility to compile the Company's financial statements in each financial year with support from the accounting department, and to ensure that the applicable accounting policies are applied consistently and the accounting standards issued by the Hong Kong Institute of Certified Public Accountants are complied with in the preparation of the financial statements and to report the state of affairs of the Company in a true and fair manner.

The statement issued by the auditor on its reporting responsibilities is set out in the Independent Auditor's Report on pages 68 to 75 of this annual report.

FUNCTIONS OF CORPORATE GOVERNANCE

The Board adopted terms of reference of directors with the duties of corporate governance, these terms of reference include formulating and reviewing on the policy and practice of corporate governance of the Company, and submitting recommendation thereof to the Board; the review and supervision on the training and continuing professional development of the directors and senior management as well as the policy and practice of the Company in compliance with laws and regulations; the formulation, review and supervision on the code of conduct and compliance manual of the employees and directors; the review on the compliance with the Corporate Governance Code and the disclosure of the same in the Report on Corporate Governance.

In 2025, the Board fulfilled the aforesaid functions of corporate governance.

To ensure that independent views and input are available to the Board, the implementation and effectiveness of the relevant mechanisms will be reviewed annually by the Board. At least one-third of the Board are independent non-executive directors in compliance with the requirements of the Listing Rules, and the Company will assess the independence of the independent non-executive directors on at least an annual basis. The special committees of the Board are entitled to engage independent professional advisors as and when it is required.

The Board considered that the above mechanisms are effective in ensuring that independent views and input are provided to the Board.

Report on Corporate Governance (Continued)

AUDIT COMMITTEE

The Company has established an audit committee since September 2004. The audit committee comprises three independent non-executive directors, namely Ms. QIAN Ai-min as the chairman (appointed on 24 January 2025), Mr. CHEN De-Qiu as the chairman (resigned on 24 January 2025), Dr. CHOW Wing-Kin, Anthony and Mr. GAN Pei-Zhong. Their duties include reviewing and supervising the Company's financial reporting process, risk management and internal control systems. The audit committee and the management have jointly reviewed the accounting principles and major policies adopted by the Group and have discussed matters on auditing, risk management, internal control and financial reporting, as well as reviewing the unaudited interim financial report and the audited annual financial statements of the Group. The audit committee has also reviewed the annual results and draft financial statements of the Group for the year ended 31 December 2025. The terms of reference of the audit committee are available on the respective website of the Stock Exchange and the Company.

In accordance with the stipulations in the Rules of Procedures of Meetings of the Audit Committee of the Board of Directors of the Company, the audit committee of the Board performed their duties of due diligence. During the Reporting Period, the audit committee held 6 meetings in total, at which, they mainly considered the audit opinion of the external auditors on the financial report and internal control report for the year of 2024 of the Company, and the review results of the external auditors on the interim report for the year of 2025 of the Company. In addition, the audit committee of the Company gave full play to their functions as a professional committee and proactively promoted the establishment of the internal control system of the Company. Moreover, the committee guided the internal audit work of the Company in real earnest and coordinated the communication and cooperation between the Company and the external auditors, so as to improve the relevant work efficiency.

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. CHEN De-Qiu (resigned on 24 January 2025)	N/A
Dr. CHOW Wing-Kin, Anthony	6/6
Mr. GAN Pei-Zhong	6/6
Ms. QIAN Ai-min (appointed on 24 January 2025)	6/6

REMUNERATION AND EVALUATION COMMITTEE

The remuneration and evaluation committee of the Board comprises three independent non-executive directors and two executive directors. The committee is chaired by Mr. GAN Pei-Zhong, and has four other members, namely Dr. CHOW Wing-Kin, Anthony, Mr. CHEN De-Qiu (resigned on 24 January 2025), Ms. QIAN Ai-min (appointed on 24 January 2025), Mr. ZHANG Jie and Ms. LIANG Jie (both appointed on 23 April 2025).

The terms of reference of the remuneration and evaluation committee of the Board are to study the assessment standards for directors and managerial staff, and to carry out the assessment and to make recommendations, to study the remuneration policy and schemes for directors and senior management personnel, to recommend to the Board on the remuneration of individual executive directors and senior management as well as the remuneration of non-executive directors. The terms of reference of the remuneration and evaluation committee are available on the respective website of the Stock Exchange and the Company.

Report on Corporate Governance (Continued)

In accordance with the stipulations in the Rules of Procedures of Meetings of the Remuneration and Evaluation Committee of the Board of Directors of the Company, the remuneration and evaluation committee earnestly performed their duties of due diligence. During the Reporting Period, the remuneration and evaluation committee of the Board held 2 meetings to carefully consider the remuneration plan of directors and senior management of the Company with a view to enhancing corporate efficiency, and recommended earnest implementation of the plan, so as to maximize the incentive effect of remuneration to enhance the competitiveness of the Company.

For the year ended 31 December 2025, the remuneration of the members of the senior management by band is set out below:

Remuneration band (RMB)	Number of persons
Less than 1,000,000	5

Note: The members of the senior management disclosed above refer to the employees other than directors.

Further particulars regarding the directors and senior management's emoluments and the five highest paid employees as required to be disclosed pursuant to Appendix D2 of the Listing Rules are set out in notes 26, 35(viii) and 37 to the financial statements.

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. GAN Pei-Zhong	2/2
Dr. CHOW Wing-Kin, Anthony	2/2
Mr. CHEN De-Qiu (resigned on 24 January 2025)	N/A
Ms. QIAN Ai-min (appointed on 24 January 2025)	2/2
Mr. ZHANG Jie (appointed on 23 April 2025)	N/A
Ms. LIANG Jie (appointed on 23 April 2025)	N/A

DIRECTORS' REMUNERATION POLICY

The Company strictly implements the directors' remuneration policy to ensure the remuneration is at appropriate levels to attract and retain the experienced and high-caliber individuals, with an aim to supervise the business and development of the Group. The directors' remuneration will be reviewed at least once annually and determined with reference to their skills and knowledge, their job duties, as well as the level of their involvement in the Group's affairs, the performance of the Company, their personal performances and the prevailing market conditions. The remuneration comprises of the directors' fees, salary, allowance and contribution to retirement benefit.

NOMINATION COMMITTEE

The nomination committee of the Board comprises two independent non-executive directors and one executive director. The committee is chaired by Mr. GAN Pei-Zhong, and has two other members, namely Mr. YANG Hua-Sen (appointed on 23 April 2025), Ms. LIANG Jie (resigned on 23 April 2025), Mr. ZHANG Jie (resigned on 23 April 2025), Dr. CHOW Wing-Kin, Anthony (resigned on 23 April 2025), Mr. CHEN De-Qiu (resigned on 24 January 2025) and Ms. QIAN Ai-min (appointed on 24 January 2025).

The nomination committee of the Board is responsible for the nomination of the directors and managerial staff of the Company. It is also responsible for the review of the structure, number of members and composition of the Board, as well as the evaluation on the independence of the independent non-executive directors.

Report on Corporate Governance (Continued)

DIVERSITY POLICY

The Company is of the view that the diversity of the Board is one of the essential factors in sustaining the competitive edge of the Company and facilitating the sustainable development of the Company. In accordance with the diversity policy of the Company, when considering the composition of the Board, various aspects would be considered for the diversity of the Board, including but not limited to factors such as gender, age, culture, race, educational background, professional qualifications, knowledge and expertise, skills, etc. Meanwhile, the Company is committed to creating an inclusive and fair working environment for the employees, and treats employees of different genders, ages, religious beliefs, nationalities, cultural backgrounds and health conditions with respect and fairness.

In 2025, the male-to-female ratio of the Board members of the Company was 5:3, while the male-to-female ratio of the employees was 5:4, achieving gender diversity in the Board and among all the staff members.

To further ensure gender diversity of the Board in a long run, the Company will take into account the factor of gender diversity when recruiting suitable candidates for the Board and senior management in the future, so as to develop a pipeline of potential successors for the Board and enhance gender diversity in the Board in the coming years.

The nomination committee of the Board is responsible for reviewing the application of the principle of diversified selection in nomination of directors, assisting and maintaining the diversified visions and various educational backgrounds and professional knowledge, which include an in-depth understanding of the real estate industry, property development, hotel and convention and exhibition operation and management, and the professional qualifications in the fields of law and accounting. Directors have years of experience in their respective professional fields. Whatever backgrounds or experiences the directors have, they all share the common goal of driving the industry forward in order to bring sustainable growth for the Company. According to the changes of external laws and regulations, and based on the internal procedures and actual situation of the Company, the Company updates the relevant policy documents from time to time to ensure the relevant policy content is up-to-date.

The Company has reviewed the implementation and effectiveness of the above policy during the year.

NOMINATION POLICY

In accordance with the nomination policy of the Company (the “**Nomination Policy**”), in evaluation and selection of candidates for the directors, the nomination committee will:

1. review the structure, size and composition (including the gender, age, cultural and educational background, race, term of service, skills, knowledge and experience) of the Board at least once a year and make recommendations to the Board regarding any proposed changes to the Board with reference to the Company’s strategies;
2. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. assess the independence of independent non-executive directors;
4. make recommendations to the Board in respect of the appointment or re-appointment of and succession planning for directors, in particular the Chairman and the chief executive;
5. study and make recommendations on the selection standards and procedures of directors and senior management;
6. identify individuals suitably qualified to be senior management;

Report on Corporate Governance (Continued)

7. conduct vetting of candidates of directors and senior management and make recommendations thereon;
8. in the performance of the duties under the above items 1 to 7, consider the relevant individuals on merit, contributions to the Board and suggestions to the Board based on measurable objectives including adoption of a series of diversity categories as selection basis and against the objective criteria, with due regard for the benefits of diversity on the Board; and
9. review the Board Diversity Policy, as appropriate, and review the measurable objectives under the policy and the progress on achieving the objectives and make disclosure of review results in the Corporate Governance Report annually to ensure the effective implementation of the policy.

Directors of the Company shall be elected at the shareholders' meeting for a term of three years. Upon expiry of the term, a director shall be eligible for re-election. The terms of reference of the nomination committee are available on the respective websites of the Stock Exchange and the Company.

In accordance with the stipulations in the Rules of Procedures for Meetings of the nomination committee of the Company, during the Reporting Period, the nomination committee of the Board held 6 meetings, at which, it reviews and makes recommendations on candidates for the appointments of directors, the secretary of the board of directors and the chief accountant, safeguarding the integrity of and compliance with the corporate governance structure of the Company. The nomination committee of the Board also verified the structure, number and composition of the Board and evaluated and verified the independence of the independent non-executive directors of the Company, and considered that the structure of the directors of the Company was in compliance with the requirements of corporate governance and the independence of the independent non-executive directors was not compromised. In addition, the nomination committee of the Board reviewed and made recommendations on selection and appointment of senior management, giving full play to the role of a professional committee.

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. GAN Pei-Zhong	6/6
Mr. ZHANG Jie (resigned on 23 April 2025)	1/1
Ms. LIANG Jie (resigned on 23 April 2025)	1/1
Mr. YANG Hua-Sen (appointed on 23 April 2025)	5/5
Dr. CHOW Wing-Kin, Anthony (resigned on 23 April 2025)	1/1
Mr. CHEN De-Qiu (resigned on 24 January 2025)	N/A
Ms. QIAN Ai-min (appointed on 24 January 2025)	6/6

STRATEGIC COMMITTEE

The strategic committee of the Board comprises three independent non-executive directors and two executive directors. The committee is chaired by Mr. ZHANG Jie, and has four other members, namely, Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong, Mr. CHEN De-Qiu (resigned on 24 January 2025) and Ms. QIAN Ai-min (appointed on 24 January 2025).

The principal duties of the strategic committee of the Board are to carry out research and make recommendations on the Company's long-term development strategies and major investment decisions.

In accordance with the stipulations in the Rules of Procedures for Meetings of the Strategic Committee of the Company, during the Reporting Period, the strategic committee of the Board held 1 meeting, at which, it deliberates on the amendments to the "Rules of Procedure for the Strategy Committee of Beijing North Star Company Limited".

Report on Corporate Governance (Continued)

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. ZHANG Jie	1/1
Ms. LIANG Jie	1/1
Dr. CHOW Wing-Kin, Anthony	1/1
Mr. GAN Pei-Zhong	1/1
Mr. CHEN De-Qiu (resigned on 24 January 2025)	N/A
Ms. QIAN Ai-min (appointed on 24 January 2025)	1/1

LEGAL COMPLIANCE COMMITTEE

The legal compliance committee of the Board was established on 20 October 2020, and comprises three independent non-executive directors and two executive directors. On 23 April 2025, Mr. ZHANG Jie ceased to be the chairman of the committee and Ms. LIANG Jie was appointed as the chairman of the committee. The committee is currently chaired by Ms. LIANG Jie, and has four other members, namely Mr. HU Hao (appointed on 23 April 2025 and resigned on 4 June 2025), Mr. ZHU Yan (appointed on 27 March 2026), Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong, Mr. CHEN De-Qiu (resigned on 24 January 2025) and Ms. QIAN Ai-min (appointed on 24 January 2025).

The legal compliance committee of the Board is mainly responsible for promoting the legal construction and guiding the standardized management of the Company.

In accordance with the stipulations in the “Rules of Procedures for Meetings of the Legal Compliance Committee of Beijing North Star Company Limited”, the legal compliance committee of the Company earnestly performed their duties based on the principle of diligence and conscientiousness, and convened 1 meeting during the Reporting Period to listen to a report on the deliberation on the compliance summary, and provided recommendations on the rule of law development of the Company.

Members	No. of meetings attended/ No. of meetings held
Mr. ZHANG Jie (resigned on 23 April 2025)	N/A
Ms. LIANG Jie	1/1
Mr. HU Hao (appointed on 23 April 2025 and resigned on 4 June 2025)	N/A
Mr. ZHU Yan (appointed on 27 March 2026)	N/A
Dr. CHOW Wing-Kin, Anthony	1/1
Mr. GAN Pei-Zhong	1/1
Mr. CHEN De-Qiu (resigned on 24 January 2025)	N/A
Ms. QIAN Ai-min (appointed on 24 January 2025)	1/1

Report on Corporate Governance (Continued)

SUPERVISORY COMMITTEE

The Company abolished the supervisory committee as approved at the 2024 annual general meeting.

COMPANY SECRETARY

The company secretary is appointed by the Board. The company secretaries of the Company are Mr. HU Hao, an executive director, a member of the legal compliance committee, the deputy general manager, financial controller, representative for securities affairs of the Company and company secretary on the PRC activities (resigned on 4 June 2025), Mr. ZHU Yan, an executive director, a member of the legal compliance committee and the chief accountant of the Company (appointed on 15 October 2025), and Mr. LEE Ka-Sze, Carmelo, external service provider and company secretary on Hong Kong activities. Mr. LEE was appointed as company secretary of the Company in 1997. The company secretary is responsible to provide opinions on corporate governance to the Board and to ensure satisfactory exchange of information between members of the Board and compliance with the policies and procedures of the Board as well as the arrangement of training and professional development to the directors of the Company. The internal major contact person of the Company is Mr. ZHU Yan, company secretary on the PRC activities.

They have received relevant professional training, which fulfilled the requirements of Rule 3.29 of the Listing Rules.

Report on Corporate Governance (Continued)

AUDITORS AND THEIR REMUNERATION

The external auditors currently appointed by the Company are Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP. The work which the external auditors are engaged to perform must produce measurable benefits and added values to the Company and should not cause adverse effects on the independence of its audit work or its image of independence. The fees paid to the Company's auditors, Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP, for the year of 2025 were RMB5,620,000 (tax inclusive) (financial report audit and related services) and RMB580,000 (tax inclusive) (review services), all of which were related to auditing, reviewing and other annual audit services. Save as disclosed above, there are no other non-audit services provided by Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP for the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has established an audit department. The department reports to the Board, and is responsible for performing auditing duties including organising and implementing regular audits, specific audits and economic liability audits for the Company and its subsidiaries, with the approval of the Board.

The Board has the ultimate responsibility in overseeing the operation of business units under the Company's management. The Board shall appoint suitable and qualified personnel to serve on the Board of all subsidiaries and associates operating in key businesses, attending their board meetings to oversee the operation of such companies. The management in each business area shall be accountable for the operation and performance of the business under its area of responsibility.

The financial controller of the Company is required to prepare guidelines and procedures for the approval and control of expenditure. All business expenditure must be monitored and controlled according to overall budget, and internally controlled by business centres against the approval level appropriate to the level of responsibilities of the relevant executives. Capital expenditure must be subject to comprehensive monitoring and control in accordance with the annual budget preparation and allocation approval procedures, major items of capital expenditure within allocation approval limits as well as expenditure not included in annual budget preparation must be subject to further detailed monitoring and allocation approval by the financial controller or other executive directors of the Company before the projects can be initiated.

In 2025, pursuant to the requirements in the Basic Standard for Enterprise Internal Control 《企業內部控制基本規範》 in Mainland China and the supporting guidelines and other internal control regulatory requirements, the Company conducted self-assessment on the effectiveness of the internal control of the Company and issued the Internal Control Evaluation Report. Through implementation of timely update and improvement of internal control system, self-assessment of the management, independent assessment of the audit department, immediate improvement on internal control issues and other internal control work, the Company effectively guarantees the reasonableness of design and effectiveness of operation of the internal control system of the Company. Meanwhile, Zhongxinghua Certified Public Accountants LLP carried forward audit on the effectiveness of the internal control in relation to the financial report of the Company and issued the Audit Report on Internal Control with unqualified opinions.

The Board is responsible to oversee the Group's risk management and internal control systems on an ongoing basis, and to ensure a sound and effective risk management and internal control system of the Group and would review the effectiveness of such systems from time to time, so as to safeguard investments of shareholders and assets of the Group. The above risks included but not limited to the significant risks in relation to the environmental, social and governance. However, such systems are created to manage but not eliminate the risk of failure to achieve business objectives, therefore, the Board can only provide reasonable but not absolute assurance against the risks of material misstatement or loss.

The audit department and the management of the Company review the effectiveness of risk management and internal control at least once annually and report to the Board after being considered by the audit committee. As of 31 December 2025, the Board was of the view that the Company's risk management and internal control were effective and adequate during the Reporting Period, and no significant events which may affect the shareholders were identified.

Report on Corporate Governance (Continued)

Besides, the Board has conducted review of the effectiveness of the risk management and internal control system of the Company and its subsidiaries for the year of 2025 and considered the adequacy of resources, qualifications and experience of staff in respect of the Company's accounting and financial reporting function and in relation to the environmental, social and governance performance of the Company, and their training programs and the relevant budget in accordance with code provisions D.2.1 and D.2.2 of the Corporate Governance Code of the Listing Rules effective during the Reporting Period.

The Company has adopted an anti-corruption policy to regulate the acceptance of benefits by the employees, while a whistleblowing policy has also been adopted in order to provide guidance for reporting any possible or actual misconduct in relation to the Group by the employees and related external stakeholders.

MANAGEMENT OF INSIDE INFORMATION

During the Reporting Period, the Company conducted a comprehensive optimization on the relevant systems of information disclosure by amending the Administrative Measures for Information Disclosure to incorporate the relevant contents of the former Management System for Insiders and the Management System for Information Disclosure Deferral and Exemption, thereby further improving the Company's procedures for identifying, handling, monitoring, and disclosing inside information, and upholding the principles of openness, fairness, and impartiality in information disclosure. The Company has adopted the following procedures and internal control measures for handling and disseminating inside information:

- strictly complying with the requirements for maintaining the confidentiality of inside information prior to disclosure, so as to ensure that inside information remains strictly confidential before lawful disclosure and is not disclosed prematurely;
- strictly following the relevant provisions of the Administrative Measures for Information Disclosure in properly handling the registration and filing of insiders, clearly defining the scope of inside information and insiders, and registering a file of insiders prior to the lawful disclosure of inside information;
- during price sensitive periods, including the 60 days prior to the publication of the annual results announcement and the 30 days prior to the publication of the interim results announcement, promptly reminding insiders to fulfil their registration and filing obligations, while also notifying them of provisions on the restrictions on dealing in shares and the prohibition against insider dealing, so as to comprehensively regulate such conduct;
- for information that satisfies the conditions for disclosure exemption, conducting strict assessment and review in accordance with the procedures set out in the Administrative Measures for Information Disclosure, and handling any deferred disclosure or exemption from disclosure on a compliant basis so as to enhance risk prevention and control capabilities.

During the Reporting Period, there was no leakage of inside information, and none of the directors or senior management of the Company made use of any inside information to deal with the shares of the Company in contravention of relevant rules, nor was the Company subject to the investigation or sanctions of the regulatory authorities.

Dividend Policy

In order to fully protect the lawful rights enjoyed by the shareholders of the Company such as return on assets, continuously optimise the decision-making procedures and mechanisms of the Board and the shareholders' meeting on matters of profit distribution of the Company, further refine the terms regarding profit distribution policy in the Articles of Association of the Company (the "**Articles of Association**"), improve the transparency and operability of decision-making on profit distribution of the Company, and facilitate the shareholders' supervision on the Company's operation and profit distribution, the Board formulated the "Dividend Distribution Plan for Shareholders of the Company", which has been published on the Company's website.

Report on Corporate Governance (Continued)

INVESTOR RELATIONS AND SHAREHOLDER'S INTEREST

The Board has formulated the shareholders' communication policy and, during the Reporting Period, revised the Administrative Measures for Information Disclosure to regulate investor relations work, strengthen effective communication with shareholders and potential investors, and effectively safeguard shareholders' interests.

The Company has established various communication channels with the shareholders, including: (i) the provision of electronic versions of corporate communications; (ii) the provision of company information on the Company's website in a timely manner; (iii) the holding of annual general meetings to provide a platform for the shareholders to advise and exchange opinions with the Board; and (iv) the arrangement of providing services to the shareholders in respect of all share registration matters.

After publication of the Company's annual financial results, the Company has proactively arranged for results presentations for people from the investment industry in order to promote investor relations and two-way communication. Through the investor relations manager, the Company also responds to information requests and inquiries of people from the investment industry.

At shareholders' meetings, the Company will explain the detailed procedures for voting by poll to the shareholders and answer any questions of shareholders thereon. The website of the Company also publishes periodically updated financial and other information of the Company for the inspection of shareholders at any time.

The Board has reviewed the effectiveness of the implementation of the shareholders' communication policy during the year, and considered that such policy has continuously and effectively enhanced the timely, transparent, accurate and open communication between the Company and the shareholders.

SHAREHOLDERS' MEETINGS

In 2025, the Company held two shareholders' meetings, being the first extraordinary shareholders' meeting of 2025 and the 2024 annual general meeting.

Attendance of the directors at the shareholders' meetings is set out below:

Directors	Shareholders' meetings	Attendance rate
<i>Executive directors</i>		
Mr. ZHANG Jie	2/2	100%
Ms. LIANG Jie	2/2	100%
Mr. YANG Hua-Sen	2/2	100%
Ms. ZHANG Wen-Lei (resigned on 18 March 2026)	2/2	100%
Mr. HU Hao (resigned on 4 June 2025)	2/2	100%
Mr. WEI Ming-Qian	1/2	50%
Mr. ZHU Yan (appointed on 23 January 2026)	N/A	N/A
<i>Independent non-executive directors</i>		
Dr. CHOW Wing-Kin, Anthony	2/2	100%
Mr. GAN Pei-Zhong	2/2	100%
Mr. CHEN De-Qiu (resigned on 24 January 2025)	0/1	0%
Ms. QIAN Ai-min (appointed on 24 January 2025).	1/1	100%

Report on Corporate Governance (Continued)

CONSTITUTION

In 2025, in accordance with the Company Law, the supporting measures and rules of the China Securities Regulatory Commission, the Guidelines for Articles of Association of Listed Companies, and the Rules of Procedures for Shareholders' General Meetings of Listed Companies, the Proposals to Further Expand the Paperless Listing Regime and Other Rule Amendments of the Hong Kong Stock Exchange, and other regulations or relevant documents, and in order to better meet the requirements of corporate governance and compliant operation and to consistently implement the relevant requirements of the aforementioned laws and regulations, and in light of the Company's actual situation, the Company revised the Articles of Association. The aforementioned amendments to the Articles of Association were considered and approved at the 2024 annual general meeting.

RIGHTS OF SHAREHOLDERS

Convening of an Extraordinary Shareholders' Meeting or a Class Meeting of Shareholders by Shareholders' Requisition

Pursuant to Article 85 of the Articles of Association, shareholders holding more than 10% of the shares (including preferred shares carrying restored voting rights) of the Company individually or in aggregate may propose the convening of an extraordinary shareholders' meeting or a class shareholders' meeting in accordance with the procedures stipulated in Article 85 of the Articles of Association. Shareholders can submit a written requisition to the Board to convene an extraordinary shareholders' meeting or a class shareholders' meeting. Such written requisition shall state the matters to be discussed at the meeting and shall be signed by the shareholders concerned and submitted to the work department of the Board.

Requirements under Article 85 of the Articles of Association are set out in the Articles of Association.

PUTTING FORWARD PROPOSALS TO THE SHAREHOLDERS' MEETINGS

According to Article 62 of the Articles of Association, shareholders solely or collectively holding more than 1% of the shares of the Company may submit in writing interim proposals to the convener ten (10) days before the date of the convening of the shareholders' meeting.

The convener shall, within two (2) days upon receipt of such proposals, review the proposals and serve a supplementary notice of the shareholders' meeting to announce the content of the interim proposals and submit such extraordinary proposal to the shareholders' meeting for consideration, unless the proposal violates laws, administrative regulations, or the Articles of Association, or falls outside the scope of the shareholders' meeting's authority.

Except for the circumstances prescribed in the preceding provision, the convener may not change the proposal listed in the notice of the shareholders' meeting or add new proposals after the notice of the shareholders' meeting has been served.

The proposals that have not been listed in the notice of the shareholders' meeting or that are not in compliance with Article 61 of the Articles of Association shall not be voted on and resolved at the shareholders' meeting.

Procedures in relation to the nomination of directors by shareholders have been published on the website of the Company.

The contact details of the convener can be obtained by contacting the work department of the Board.

Report on Corporate Governance (Continued)

PROCEDURES FOR DIRECTING PROPOSALS, ENQUIRIES OF SHAREHOLDERS TO THE BOARD

Shareholders can at any time send their proposals, enquiries and concerns to the Board in writing through the work department of the Board. The contact details of the work department of the Board are set out in Corporate Information on page 194 of this annual report.

The work department of the Board shall forward the proposals, enquiries and concerns of the shareholders to the Board and/or relevant committees under the Board, as appropriate, to answer the questions of the shareholders.

In 2026, the Company will continue to dedicate itself to improving the standards of its corporate governance according to changing regulatory requirements, the Company's latest development and feedback from shareholders, so as to ensure the stable and healthy growth of the Company while enhancing shareholders' value.

By Order of the Board
ZHANG Jie
Chairman

Beijing, the PRC, 27 March 2026

Profile of Directors and Senior Management

CHAIRMAN

ZHANG Jie, aged 56, is the chairman of the Company. Mr. ZHANG successively graduated from China University of Political Science and Law and Peking University with a bachelor's degree in law and a master's degree in business administration. He is a senior economist and lecturer. Mr. ZHANG served as the deputy secretary of the Communist Youth Party Committee of Beijing Automotive Industry Company (北京汽車工業總公司), the director of the education division and director of the training center of Beijing Automotive Industry Group Head Company (北京汽車工業集團總公司), the deputy secretary of the Party Committee and secretary of the Disciplinary Committee of BEIJING-HYUNDAI AUTO, the director of the Party Committee Office (the Office of the board of directors), the secretary of the board of directors, the general counsel, the deputy secretary of the Disciplinary Committee, the deputy general manager and the deputy secretary of the Party Committee of Beijing Infrastructure Investment Co., Ltd., as well as the deputy secretary of the Party Committee, director and general manager of Beijing State-owned Assets Management Co., Ltd. He was elected as the chairman of the Company in November 2024. Mr. ZHANG has extensive experience in corporate operation, corporate governance and investment management.

EXECUTIVE DIRECTORS

LIANG Jie, aged 56, is an executive director and general manager of the Company. Ms. LIANG successively graduated from China University of Political Science and Law and Tsinghua University with a bachelor's degree in law and a postgraduate degree in business administration. Ms. LIANG served as the director-general of the Investment Promotion Agency under the Beijing Municipal Administrative Commission of Zhongguancun Science Park (Haidian Park) (Haidian Investment Promotion Agency) (北京市中關村科技園區海淀園管理委員會投資促進處(海淀區投資促進局)), the executive deputy director of the Administrative Commission of Zhongguancun Science Park (Haidian Park) (中關村科技園區海淀園管理委員會), the deputy secretary of the Working Committee of Zhongguancun Science Park (Haidian Park) (中關村科技園區海淀園工作委員會), the director of the Haidian District Science & Technology Commission (海淀區科學技術委員會), and the deputy director, secretary of the Party group and director of the Haidian District Commission of Development and Reform (海淀區發展和改革委員會). From September 2016 to January 2024, Ms. LIANG successively served as deputy general manager of Shougang Corp (首鋼總公司), and the deputy general manager, general legal counsel and chief compliance officer of Shougang Group Co., Ltd. (首鋼集團有限公司). Ms. LIANG has joined the Company since February 2024 and was elected in March 2024 as an executive director and general manager of the Company. Ms. LIANG possesses extensive experience in corporate operation and management, legal and compliance as well as risk prevention and control.

YANG Hua-Sen, aged 52, is an executive director of the Company. Mr. YANG graduated from Northern Jiaotong University, Huazhong University of Science and Technology and Party School of the CPC Central Committee successively, with a bachelor's degree in engineering, a master's degree in business administration and a postgraduate degree in philosophy of science and technology. He is a senior logistician and engineer. Mr. YANG successively served as the assistant to the general manager and the deputy general manager of Guangxi Liutie Economic and Technological Development Corporation (廣西柳鐵經濟技術開發總公司), the general manager of Nanning Sales Department of China Railway Special Cargo Company (中鐵特貨公司), the general manager of Shanghai China Railway Auto Logistics Company Limited (上海中鐵達汽車物流有限公司), and the deputy general manager of Beijing Capital Highway Development Group Co., Ltd. (北京市首都公路發展集團有限公司). From March 2019 to October 2021, he served temporarily as a member of the Standing Committee and deputy mayor of Tangshan City, Hebei Province, the secretary of the Party Working Committee of the Beijing-Hebei Caofeidian Co-development Exhibition Zone (京冀曹妃甸協同發展展示範區), and was elected as the executive director of the Company in February 2022. Mr. YANG has extensive experience in corporate management and logistics industry.

Profile of Directors and Senior Management (Continued)

WEI Ming-Qian, aged 58, is an executive director and a deputy general manager of the Company. Mr. WEI successively graduated from Beijing International Studies University and Renmin University of China with a bachelor's degree in economics and a master's degree in law. He is a senior economist, and successively served as the deputy general manager and property owner's representative of Intercontinental Beijing Beichen Hotel (北辰洲際酒店), the deputy general manager of China National Convention Center (國家會議中心), the general manager of Beijing North Star Convention Group Co., Limited (北京北辰會展集團有限公司) and an assistant to general manager of the Company. He has served as the deputy general manager of the Company since February 2023, and was elected as an executive director of the Company in May 2024. Mr. WEI has extensive experience in convention, exhibition and hotel and tourism management.

ZHU Yan, aged 50, is an executive director, the chief accountant and the secretary to the Board of Directors of the Company. Mr. ZHU graduated from Beijing Institute of Machinery Industry with a bachelor's degree in economics. Mr. ZHU consecutively served as deputy director of the cement business division of BBMG Corporation, financial controller of Hebei Taihang Cement Co., Ltd. (河北太行水泥股份有限公司), financial controller of BBMG Cement Trading Co., Ltd. (北京金隅水泥經貿有限公司), financial controller of Jidong Development Group Co., Ltd. (冀東發展集團有限責任公司), director of the finance and capital department of BBMG Corporation, chairman of BBMG Financial Leasing Co., Ltd. (金隅融資租賃有限公司), secretary of the Party Committee and chairman of BBMG New Building Materials Industrialization Group Co., Ltd. (北京金隅新型建材產業化集團有限公司), assistant to general manager and director of the strategy planning department of BBMG Corporation, and director of Tangshan Jidong Cement Co., Ltd. (唐山冀東水泥股份有限公司). Mr. ZHU joined the Company in July 2025 and currently serves as the chief accountant and the secretary to the Board of Directors of the Company, and was elected as an executive director of the Company in January 2026. Mr. ZHU has extensive experience in corporate financial management and investment management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHOW Wing-Kin, Anthony, aged 75, is an independent non-executive director of the Company. Dr. CHOW is a qualified solicitor admitted to practise in Hong Kong and England and Wales. He has been a practising solicitor in Hong Kong for over 40 years and served as a member of the National Committee of the Chinese People's Political Consultative Conference, chairman of the board of stewards of The Hong Kong Jockey Club, the chairman of the Process Review Panel of the Hong Kong Financial Reporting Council, the chairman of the Process Review Panel of the Securities and Futures Commission of Hong Kong, the president of the Law Society of Hong Kong and etc. He is currently the senior consultant of the law firm Messrs. Guantao & Chow Solicitors and Notaries and an official China-Appointed Attesting Officer appointed by the Ministry of Justice of the PRC. Dr. CHOW was appointed as a Justice of the Peace and awarded with a Silver Bauhinia Star medal by the Government of the Hong Kong Special Administrative Region in 1998 and 2003, respectively, awarded as an Honorary Fellow of the Hong Kong Institute of Education in 2010, an Honorary Fellow of King's College London in England in 2013, an Honorary Doctorate of Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in 2018 and an Honorary Doctorate of Laws of The Hong Kong University of Science and Technology in 2021. Dr. CHOW has extensive experience in corporate law and securities businesses.

Profile of Directors and Senior Management (Continued)

Dr. CHOW currently serves as an independent non-executive director of Ping An Healthcare and Technology Company Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 01833) and also served as a non-executive director of Kingmaker Footwear Holdings Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 01170), an independent director of OneConnect Financial Technology Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 06638, voluntarily withdrawn its listing in Hong Kong on 21 November 2025) and an independent non-executive director of China Resources Beverage (Holdings) Company Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 02460). Dr. CHOW ceased to act as independent non-executive director of MTR Corporation Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 00066) with effect from 25 May 2022. Dr. CHOW was elected as an independent non-executive director of the Company in May 2021.

GAN Pei-Zhong, aged 69, is an independent non-executive director of the Company. Mr. GAN graduated from Peking University Law School, and is a doctor of law. He served as a professor and a tutor of doctoral students of Peking University Law School, and served as the dean, professor and tutor of doctoral students of Lanzhou University Law School. Mr. GAN serves as the president of China Business Law Society (中國商業法研究會), a standing director of Chinese Economic Law Research Society, an advisor to the Supreme People's Court, a member of the Expert Guiding Cases Commission of the Supreme People's Court (最高人民法院案例指導專家委員會), and a member of the Consultation Commission of the Executive Council of the Supreme People's Court (最高人民法院執行局諮詢委員). Mr. GAN was elected as an independent non-executive director of the Company in October 2020. Mr. GAN has extensive experience in field of economic law, enterprise law, corporate law and securities law.

Mr. GAN currently serves as an independent director of Wingtech Technology Co., Ltd. (SSE, Stock Code: 600745).

QIAN Ai-min, aged 55, is an independent non-executive director of the Company. Ms. Qian graduated from the University of International Business and Economics with a doctorate degree in economics. She is a professor of accounting and doctoral supervisor, a fellow (non-practising) member of the Chinese Institute of Certified Public Accountants. Previously, she served as the deputy dean of the International Business School of University of International Business and Economics and currently serves as the deputy dean of the Governance Research Institute of University of International Business and Economics. She is also a member of the National Steering Committee for Accounting Professional Degree Graduate Education. She was elected as an independent non-executive director of the Company in January 2025. Ms. Qian has extensive theoretical and practical experience in corporate financial management and corporate governance.

Ms. QIAN currently serves as the deputy dean and professor of the Corporate Governance Institute of University of International Business and Economics, the independent director of Yihai Kerry Arawana Holdings Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300999), the independent director of Beijing Sanyuan Gene Pharmaceutical Co., Ltd., a company listed on the Beijing Stock Exchange (stock code: 837344) and the independent director of Xindao Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 603132).

Profile of Directors and Senior Management (Continued)

SENIOR MANAGEMENT

KONG Lei, aged 54, is the deputy general manager of the Company. Mr. KONG graduated from the Nanjing Academy and obtained a bachelor's degree and a master's degree in law successively. He has served as deputy regimental officer, regimental secretary, regimental staff officer, deputy divisional staff officer, director of the armed forces department and director of the university. Mr. KONG has been serving as the deputy general manager of the Company since February 2022. Mr. KONG has extensive experience in public administration, security and large-scale event service assurance.

ZHANG Yu-Mei, aged 55, is the deputy general manager of the Company. Ms. Zhang graduated from Beijing University of Chemical Technology. Ms. Zhang successively worked at Beijing Municipal Commission of Development and Reform, Beijing Research Center for Climate Change Response, Beijing General Supply and Marketing Cooperative and Beijing Environmental Sanitation Engineering Group Co., Ltd., during which she was on secondment to China Development Bank. In July 2024, she was appointed as the deputy general manager of the Company. Ms. Zhang has extensive experience in energy and dual carbon management, project management and environmental governance.

FANG Di, aged 48, is the deputy general manager of the Company. Mr. Fang graduated from Beijing Institute of Architecture and Engineering and Renmin University of China with a bachelor's degree in engineering and a master's degree in economics. Mr. Fang joined the Company in 2001 and has successively served as the director of the general office of Changsha Beichen Real Estate Development Co., Ltd., the director of the general manager's office of the Beichen Land Branch of the Company, the director of the general manager's office of the Company, the general manager of the Company's apartment operation and management branch and the general manager of the office operation and management branch of the Company. He has been serving as the director of the Organization Department of Party Committee (the United Front Department and the Inspection Work Office of the Party Committee) of the Company since 2022 and was appointed as the deputy general manager of the Company in May 2024. Mr. Fang has extensive experience in commercial property operation and management, organization, personnel and administrative management.

MO Fei, aged 55, is the chief legal advisor of the Company. Mr. Mo graduated from Southwest University of Political Science and Law with a bachelor's degree in law and is qualified to practice law. Joined BNSIGC in 2003, Mr. Mo has successively served as deputy head of the legal affairs department of BNSIGC, head of the legal affairs department of the Company, shareholder representative supervisor and deputy general manager of Beijing Beichen Exhibition Investment Co., Ltd. and was appointed as the chief legal advisor of the Company in March 2024. Mr. Mo has extensive experience in the management of corporate legal affairs.

COMPANY SECRETARY

LEE Ka Sze, Carmelo, JP, aged 65, is company secretary of the Company and such office is served by him as a representative of external service provider. He is responsible for ensuring that the Company is in compliance with the regulations of Hong Kong. Mr. LEE graduated from the University of Hong Kong with a bachelor's degree in law. He is a practicing solicitor in Hong Kong and a partner of Woo Kwan Lee & Lo, the Company's legal adviser on Hong Kong laws. Mr. LEE was appointed as the company secretary of the Company in 1997.

Report of the Directors

The Board is pleased to present to the shareholders the Report of the Directors together with the audited financial reports of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in convention and exhibition and ancillary facilities services, real estate development. The subsidiaries are mainly engaged in property development and property investment within the territory of the PRC.

BUSINESS REVIEW

1. Business performance, principal risks and uncertainties and future developments

The Group’s business performance, principal risk and uncertainties and future development for the year ended 31 December 2025 are discussed in the section “Chairman’s Report” on page 4 and the section “Management Discussion and Analysis” on pages 6 to 34 of this annual report.

2. Subsequent events after the Reporting Period

The Group has no subsequent events after the Reporting Period.

3. Environmental policies and performance

The environmental policy and performance of the Group for the year ended 31 December 2025 is set out in the separately published “2025 Corporate Social Responsibility and Environmental, Social and Governance Report” of the Company.

4. Laws and regulations that have a significant impact on the Company

The Company has strictly complied with the Listing Rules, the SFO, the Company Law, Securities Law, the Rules for Governance of Securities Companies and other relevant laws and regulations and industry rules which had significant influence on the business and operation of the Company during the year, which has facilitated the Company to operate in a regulated way and is conducive to protecting the interests of the shareholders and other stakeholders.

5. Key relationships

The explanation on the key relationships between the Company and its employees, customers and suppliers and the personnel who has a material impact on and is the key to the prosperity of the Company is set out in the Report of the Directors of this annual report.

6. Financial key performance indicators

The financial performance of the Group for the year ended 31 December 2025 analysed based on the financial key performance indicators is set out in the section “Financial Highlights” on pages 2 to 3, the section “Chairman’s Report” on pages 4 to 5 and the section “Management Discussion and Analysis” on pages 6 to 34 of this annual report.

Report of the Directors (Continued)

RESULTS

The results of the Group for the year ended 31 December 2025 and the financial positions of the Group and the Company as at the same date prepared in accordance with HKFRS Accounting Standards are set out on pages 76 to 191 of this annual report.

DIVIDEND

The Board resolved to propose that no final dividend will be declared in respect of the year ended 31 December 2025. There is no arrangement pursuant to which any shareholder has waived or agreed to waive any dividends.

FIVE YEAR FINANCIAL SUMMARY

The Group's consolidated results and summaries of assets and liabilities for the last five financial years are set out on pages 2 to 3 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, sales to the top five customers of the Group amounted to approximately RMB230,624,700, accounting for approximately 3.81% of the total sales for the year. Sales to the largest customer of the Group accounted for approximately 0.85% of the total sales of the Group. Among the sales to the top five customers, sales to related parties was RMB43,310,500, accounting for 0.71% of the total sales for the year.

Purchases from the top five suppliers of the Group amounted to approximately RMB804,935,600, accounting for approximately 29.65% of the total purchases for the year. Purchases from the largest supplier of the Group accounted for approximately 12.71% of the total purchases of the Group. Among the purchases from the top five suppliers, purchases from related parties was RMB0, accounting for 0% of the total purchases for the year.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owned more than 5% interest in the Company's share capital) had any interest in the major suppliers or customers mentioned above.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements of property, plant and equipment of the Group and of the Company during the year are set out in note 8 to the consolidated financial statements.

RESERVES

Details of movements of the reserves of the Group and the Company during the year are set out in note 19 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

In accordance with the Articles of Association, the profit available for appropriation by the Company for the purpose of dividend payments is based on the lesser of the net profit of the Company determined in accordance with China Accounting Standards for Business Enterprises; and the net profit of the Company determined in accordance with HKFRS Accounting Standards.

Distributable reserves of the Company as at 31 December 2025 amounted to RMB3,473,154,149 (2024: RMB3,141,043,827).

Report of the Directors (Continued)

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CONTINUING DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 18 September 2018, the Company (as borrower) entered into a trust loan agreement (the "**Loan Agreement**") with Beijing International Trust Co., Ltd. (as lender) (the "**Lender**") for loans of up to RMB1 billion under the Beijing Trust-Wisdom Capital Collective Fund Trust Plan (北京信託•盈瑞資本集合資金信託計劃貸款) (the "**Loans**"). The term of each Loan shall be 10 years from the date of drawdown. BNSIGC, the controlling shareholder of the Company, has provided guarantee to the Lender in respect of the Loan Agreement. Pursuant to the Loan Agreement, an event of default shall occur if (1) the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (the "**Beijing SASAC**") directly or indirectly holds less than 51% of the shares of BNSIGC or Beijing SASAC loses the de facto control over BNSIGC; and/or (2) BNSIGC loses the de facto control over the Company. In the event of default under the Loan Agreement, the Lender may unilaterally and unconditionally cancel the undrawn Loans under the Loan Agreement and/or declare that all or a part of the Loans under the Loan Agreement, together with the interests accrued thereon and all other monies accrued or payable to be immediately due and payable, and demand immediate repayment by the Company through legitimate means. Such loans were fully repaid on 28 September 2023.

DIRECTORS AND SENIOR MANAGEMENT

The directors and senior management during the year and up to the date of this report are as follows:

Executive Directors

ZHANG Jie	<i>Chairman and Director</i>
LIANG Jie	<i>Director</i>
YANG Hua-Sen	<i>Director</i>
ZHANG Wen-Lei	<i>Director</i>
(resigned on 18 March 2026)	<i>Director</i>
HU Hao (resigned on 4 June 2025)	<i>Director</i>
WEI Ming-Qian	<i>Director</i>
ZHU Yan (appointed on 23 January 2026)	<i>Director</i>

Independent Non-Executive Directors

CHOW Wing-Kin, Anthony	<i>Director</i>
GAN Pei-Zhong	<i>Director</i>
CHEN De-Qiu (resigned on 24 January 2025)	<i>Director</i>
QIAN Ai-min (appointed on 24 January 2025)	<i>Director</i>

Report of the Directors (Continued)

Senior Management

LIANG Jie	<i>General Manager</i>
ZHANG Wen-Lei (resigned on 18 March 2026)	<i>Deputy General Manager</i>
HU Hao (resigned on 4 June 2025)	<i>Deputy General Manager, Company Secretary</i>
WEI Ming-Qian	<i>Deputy General Manager</i>
KONG Lei	<i>Deputy General Manager</i>
ZHANG Yu-Mei	<i>Deputy General Manager</i>
FANG Di	<i>Deputy General Manager</i>
MO Fei	<i>Chief Legal Advisor</i>
ZHU Yan (appointed on 29 July 2025)	<i>Chief Accountant</i>
ZHU Yan (appointed on 15 October 2025)	<i>Company Secretary</i>
LEE Ka Sze, Carmelo	<i>Company Secretary – served as a representative of external service provider</i>

The biographical details of directors and senior management are set out on pages 49 to 52 of this annual report.

The Company has received confirmation from each of the independent non-executive directors of their independence and considered all independent non-executive directors to be independent of the Company.

None of the directors has entered into any service contract with the Company or any of its subsidiaries, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

In compliance with Rule 3.09D of the Listing Rules, Ms. QIAN Ai-min and Mr. ZHU Yan obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 21 January 2025 and 14 January 2026, and have confirmed that they understood their obligations as a director.

Report of the Directors (Continued)

PERMITTED INDEMNITY PROVISIONS

During the Reporting Period, the Company has purchased the appropriate liability insurance for its directors and senior management.

EQUITY-LINKED AGREEMENTS

The Company did not enter into any equity-linked agreements as at the end of the year or at any time of the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year and up to the year end was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures, of the Company or any other body corporate.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

Details of directors and senior management's emoluments are set out in notes 35 and 37 to the consolidated financial statements.

Report of the Directors (Continued)

INDIVIDUALS WITH THE HIGHEST PAY

During the year, none of the five individuals with the highest emolument in the Group was a director of the Company.

MANAGEMENT CONTRACTS

Except for the contracts entered into in respect of the connected transaction as stated in this report, no contracts concerning the management or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2025, none of the directors and chief executives of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (as defined under Part XV of the Securities and Futures Ordinance ("**SFO**")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company or Hong Kong Stock Exchange pursuant to the Model Code. None of the directors and chief executives of the Company, their spouses or children under the age of 18 had been granted any rights to subscribe for shares in or debentures of the Company or its associated corporations, nor has any of them exercised such rights during the year.

At no time during the year were the Company and its associated corporations a party to any arrangement to enable the directors and chief executives of the Company (including their spouses and children under 18 years old) to hold any interests or short positions in the shares in or debentures of, the Company, and its associated corporations.

Report of the Directors (Continued)

INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Apart from service contracts in relation to the Company's business, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its substantial shareholders was a party and in which a director of the Company or their related entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

During the year and up to the date of this report, none of the directors and management shareholders has any interest in business which competes or may compete with the business of the Group under the Listing Rules.

DETAILS OF SHARE OFFERING AND LISTING

Class of shares	H shares
Listing place	Hong Kong
Offer price	HK\$2.40 per share
Listing date	14 May 1997
Number of issued shares	707,020,000 shares

Class of shares	A shares
Listing place	Shanghai
Offer price	RMB 2.40 per share
Listing date	16 October 2006
Number of issued shares	1,500,000,000 shares

SHARE CAPITAL

The Company's total number of issued shares as at 31 December 2025 was 3,367,020,000, comprising:

Domestic listed	
A shares	2,660,000,000 Representing 79.002%
Foreign listed	
H shares	707,020,000 Representing 20.998%

Details of the movements in share capital of the Company are set out in note 18 to the consolidated financial statements.

Report of the Directors (Continued)

SUBSTANTIAL SHAREHOLDERS' INTEREST

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 31 December 2025, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the relevant class of the Company's issued share capital. These interests do not include those disclosed above in respect of the directors and chief executives.

Long positions in the shares of the Company:

Name of shareholder	Class of shares	No. of shares	No. of relevant shares	Capacity	Nature of interest	Percentage of the relevant class of share capital	Percentage of total share capital
Beijing North Star Industrial Group Limited Liabilities Company ("BNSIGC")	A shares	1,175,469,731 ^{Note}	–	Beneficial owner	Corporate interest	44.19%	34.91%

Note : The number of shares reflects the number of shares of the Company held by BNSIGC as at 31 December 2025 as recorded in the register. On 16 December 2025, BNSIGC increased its holdings of the A shares of the Company to a total of 1,183,522,803 shares, representing 44.49% of A shares capital of the Company and approximately 35.15% of the total share capital of the Company.

Save as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2025.

Report of the Directors (Continued)

THE COMPANY'S TOP 10 SHAREHOLDERS OF TRADABLE SHARES IN THE A-SHARE AND H-SHARE MARKETS

As at 31 December 2025, the shareholders as recorded in the registers of holders of A shares and H shares kept by the Company are as follows:

As at the end of the Reporting Period, the total number of shareholders is: 117,396 holders, comprising 115,732 A share holders and 1,664 H share holders.

Shareholdings of top ten shareholders of the Company as at 31 December 2025

Name of shareholders	Class of shares	Total number of shares held at the end of the period (shares)	Percentage of shares held (%)
Beijing North Star Industrial Group Limited Liabilities Company	A share	1,183,522,803	35.150
HKSCC NOMINEES LIMITED	H share	69,661,899	20.542
Wangfujing Group Co., Ltd. (王府井集團股份有限公司)	A share	125,300,000	3.721
Zhong Hang Xin Gang Guarantee Co., Ltd. (中航鑫港擔保有限公司)	A share	15,875,700	0.472
Hong Kong Securities Clearing Company Limited	A share	14,506,979	0.431
Industrial and Commercial Bank of China Limited-Southern CSI All-share Index Real Estate Traded Open-ended Index Stock Investment Fund (中國工商銀行股份有限公司－南方中證全指房地產交易型開放式指數證券投資基金)	A share	13,578,666	0.403
WEI Qionghua (韋瓊花)	A share	12,888,825	0.383
ZHANG Jun (張俊)	A share	11,396,686	0.338
LU Wenxing (盧文星)	A share	11,020,100	0.327
LIU Feng (柳鋒)	A share	9,463,974	0.281

Note: HKSCC NOMINEES LIMITED stands for Hong Kong Securities Clearing Company (Nominees) Limited, which held the Company's H shares on behalf of a number of customers.

Report of the Directors (Continued)

DESIGNATED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 31 December 2025, the Group had no designated deposits placed with financial institutions in the PRC. All of the Group's cash deposits are placed with commercial banks in the PRC and are in compliance with applicable laws and regulations. The Group has not experienced any incidents of not being able to withdraw bank deposits upon maturity.

STAFF RETIREMENT SCHEME

Details of the Group's staff retirement scheme are set out in note 34 to the consolidated financial statements.

EMPLOYEES

As at 31 December 2025, the Company had 4,729 employees. The employee remuneration policy of the Company is that the total salary is paid with reference to its economic efficiency. Save for the remuneration policy disclosed above, the Company did not provide any share option scheme for its employees. The Company regularly provides its management personnel with trainings on various subjects, including operation management, foreign languages, computer skills, industry know-how and policies and laws. The trainings are provided in different forms, such as seminars, site visits and field trips.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The related party transactions (other than the transactions specifically stated below), the details of which are set out in note 35 to the consolidated financial statements, are not "connected transaction" or "continuing connected transaction" subject to announcement or independent shareholders approval requirements under Chapter 14A of the Listing Rules. The Company has complied with necessary requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions conducted by the Group during the year ended 31 December 2025.

In 2025, the Company consolidated the arrangements for continuing connected transactions of the Group with BNSIGC (being the controlling shareholders of the Company) and its associates (excluding the Group) (the "**BNSIGC Members**") under a framework agreement (the "**Framework Agreement**") to facilitate the integrated monitoring and disclosure of continuing connected transactions. It was intended that continuing connected transactions conducted between the Group and the BNSIGC Members on a recurring basis would be streamlined and governed by the Framework Agreement. Details of the Framework Agreement and the continuing connected transactions covered thereunder was disclosed in the announcement of the Company dated 27 March 2025 (the "**Framework Agreement Announcement**"). Below are relevant details of the continuing connected transactions transacted during the year ended 31 December 2025.

Report of the Directors (Continued)

Pursuant to the Framework Agreement dated 1 April 2025 between the Company and BNSIGC, the Group and the BNSIGC Members may from time to time conduct various transactions in accordance with the terms and conditions of the Framework Agreement. Categories of transactions contemplated under the Framework Agreement include (i) entrusted operation and management; (ii) value-added ancillary services for venues; (iii) property management services; (iv) office premises leasing; and (v) trademark and logo licensing.

BNSIGC is the controlling shareholder of the Company. As such, BNSIGC is a connected person of the Company. Accordingly, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the estimated annual caps under the Framework Agreement, as calculated under Rule 14.07 of the Listing Rules, exceeds 0.1% but is less than 5%, the transactions contemplated under the Framework Agreement are subject only to the reporting, annual review and announcement requirements under Rule 14A.76 of the Listing Rules, but are exempt from the independent shareholders' approval requirement.

The fees for the transactions contemplated under the Framework Agreement are determined in accordance with the pricing principles applicable to independent third parties, in line with the Group's pricing policies applicable to all customers, to ensure that the prices obtained by the Company are no less favorable than the best prices available from independent third parties for similar transactions. When the Group procures services under the Framework Agreement, it refers to the prices obtainable from independent third parties providing similar services by considering around two to three comparable quotations to ensure reasonable pricing. Similarly, when the Group provides services, it refers to the prices previously charged to around two to three independent parties for similar transactions to determine a reasonable margin and ensure that its quotations are competitive.

In brief, prior to entering into each individual operational agreement, the Group's relevant operational team makes pricing comparisons by reference to two or more applicable quotations or historical prices from independent third parties as appropriate, to ensure that the pricing terms would be on normal commercial terms or better (i.e. terms obtainable on an arm's length basis or terms no less favourable to the Group than those available to or from independent third parties).

In addition, the terms for the individual operational agreements are checked and reviewed from time to time by the respective management team of the Group and its relevant operating subsidiaries to ensure compliance with the pricing principles set under the Framework Agreement and that the relevant transactions are conducted according to their terms.

Report of the Directors (Continued)

The annual caps and actual transaction amounts for each of the (i) entrusted operation and management; (ii) value-added ancillary services for venues; (iii) property management services; (iv) office premises leasing; and (v) trademark and logo licensing under the Framework Agreement respectively are set forth below:

		Actual transaction amount transacted from 1 January 2025 to 31 March 2025 prior to the Framework Agreement <i>RMB0'000</i>	Annual caps from 1 April 2025 to 31 December 2025 set forth in the Framework Agreement Announcement <i>RMB0'000</i>	Actual transaction amounts for full year ended 31 December 2025 <i>RMB0'000</i>
Entrusted operation and management	Total amount received by BNSCL Members from BNSIGC Members	491.11	5,200	4,621.65
Value-added ancillary services for venues	Total amount paid by BNSCL Members to BNSIGC Members	0	9,000	3,963.23
	Total amount received by BNSCL Members from BNSIGC Members	5.20	5,000	33.04
Property management services	Total amount received by BNSCL Members from BNSIGC Members	3.50	1,300	92.83
Office premises leasing	Total amount paid by BNSCL Members to BNSIGC Members	25.07	100	90.00
	Total amount received by BNSCL Members from BNSIGC Members	0	200	13.60
Trademark and logo licensing	Amount paid by BNSCL Members to BNSIGC Members (under de minimis exemption prior to the Framework Agreement)	0.25	0.75	1.00

Report of the Directors (Continued)

The independent non-executive directors of the Company have reviewed the above continuing connected transactions, and confirmed that, such transactions were conducted on normal commercial terms and in the ordinary and usual course of business of the Company, and such terms were fair and reasonable and in the interest of the shareholders of the Company as a whole.

Cheng & Cheng Limited, the auditor of the Company, has also reviewed the above transactions and has advised in its letter to the Company that, (i) such transactions have been approved by the Board of the Company; (ii) the pricing of such transactions was in line with the pricing policy of the Company on a sample basis; (iii) such transactions were conducted in accordance with relevant agreements governing such transactions and (iv) the respective annual caps have not been exceeded. The work performed by Cheng & Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2025, details of the bank loans and other borrowings of the Group are set out in note 22 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision under the Articles of Association and the related laws of the PRC, which obliges the Company to offer new shares with pre-emptive rights to existing shareholders for purchase of shares on a pro-rata basis.

DONATIONS

During the year, the Group made charitable and other donations amounted to RMB650,000.

TAX RELIEF

The Company is not aware of any relief on taxation available to shareholders by reason of their holdings of the shares.

SUBSIDIARIES

Details of the Company's principal subsidiaries are set out in note 9 to the consolidated financial statements.

MAJOR LITIGATION OR ARBITRATION

The Company was not involved in any material litigation or arbitration during the year.

POLICIES ON INCOME TAX

In compliance with the PRC laws and regulations, the Company and its subsidiaries and jointly controlled entities paid corporate income tax at a rate of 25% based on taxable income.

Report of the Directors (Continued)

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2025, the equity attributable to ordinary shareholders of the Company amounted to RMB13,229,524,000, representing a decrease of 18.75% as compared to 31 December 2024.

The Group's bank and other borrowings as at 31 December 2025 amounted to RMB12,943,199,000. As at the end of the year, net values of the Group's 5-year corporate bonds, 3-year corporate bonds, 2-year corporate bonds, 5-year medium-term notes and 3-year medium-term notes were RMB2,256,488,000, RMB324,549,000, RMB873,308,000, RMB3,132,309,000 and RMB932,690,000, respectively. The net values of asset-backed securities were RMB2,859,523,000 at the end of the year.

Current assets of the Group, which mainly comprised cash at bank and on hand, completed properties held for sale and properties under development, amounted to RMB31,865,118,000, whereas the current liabilities amounted to RMB16,911,663,000. As at 31 December 2025, balances of cash at bank and on hand amounted to RMB6,376,402,000 (excluding restricted bank deposits) and none of the bonds in issue were exposed to redemption and payment risks. During the year, the Company did not engage in any transaction on financial products or derivative instruments.

As at 31 December 2025, the Group had secured borrowings from banks and other financial institutions of RMB12,922,765,000 with certain investment properties, hotel properties, properties under development and completed properties held for sale as the collaterals. As at the end of the Reporting Period, the asset-liability ratio calculated by total liabilities divided by total assets for the Group was 70% (31 December 2024: 68%); and the gearing ratio calculated by total debt divided by total equity was 124.8% (31 December 2024: 107.4%).

All of the Group's operations take place within the territory of mainland China and all transactions are settled in RMB. Accordingly, there is no exposure to the significant risk of exchange rate fluctuations.

The Group has arranged bank financing for certain buyers of property units and provided repayment guarantee for such buyers. The above phased guarantees will not have a material impact on the financial position of the Group. The amount of outstanding phased guarantees as at 31 December 2025 was RMB3,461,022,000 (31 December 2024: RMB4,175,446,000).

PROVISION FOR IMPAIRMENT

During the Reporting Period, after having comprehensively taken into account the market conditions of the real estate project location, project positioning, development and sales plans and other factors, the Company conducted the impairment tests on the net realisable value of its projects, and made provision for the impairment of inventories whose cost is higher than its net realisable value. As confirmed by the test, the Company is required to make provision for the impairment of inventories for real estate projects of RMB2.177 billion.

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data. Based on the assessment and analysis, the Group is required to make provision for impairment losses on financial assets of RMB92 million in 2025.

Report of the Directors (Continued)

CORPORATE GOVERNANCE CODE

The Company strives to maintain and establish a high level of corporate governance and the Company has fully complied with all the code provisions as set out in the Corporate Governance Code (as effective during the year) contained in Appendix C1 to the Listing Rules during the year.

REVIEW ON ANNUAL RESULTS

The audit committee of the Board has reviewed the annual results and the financial statements of the Group for the year ended 31 December 2025 according to its terms of reference.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, there is sufficient public float which is more than 25% of the Company's issued shares (excluding treasury shares) as required under the Listing Rules.

AUDITOR

PwC HK and PwC Zhong Tian were the external auditors of the Company for the financial years of 2021, 2022 and 2023.

The accounts of the Company for the years ended 31 December 2024 and 31 December 2025 have been audited by Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP. A resolution will be proposed at the forthcoming annual general meeting for their re-appointment as auditor of the Company.

By Order of the Board
ZHANG Jie
Chairman

Beijing, the PRC, 27 March 2026

Independent Auditor's Report



CHENG & CHENG LIMITED
Certified Public Accountants 鄭鄭會計師事務所有限公司

To the Shareholders of Beijing North Star Company Limited
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Beijing North Star Company Limited ("the Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 76 to 191, which comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Independent Auditor’s Report (Continued)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties
- Assessment of net realisable value of properties under development and completed properties held-for-sale

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties Refer to Notes 4.1(a) and 7 to the consolidated financial statements As at 31 December 2025, the Group's investment properties were measured at fair value and carried at approximately RMB15,948 million. The fair value was determined by management with reference to the valuations performed by an independent professional valuer engaged by the Group (the "Valuer"). The Group's investment property portfolio mainly included office units, apartment units, shopping malls and convention centres. • Office units, apartment units (except block A) and shopping malls: the valuation was derived using the income approach (term and reversionary method), the relevant key assumptions included adjustment on term yield, reversionary yield and market rents.	We performed the following procedures to address the key audit matter: • Obtaining an understanding of the management's key internal controls and assessment process for determining the fair value of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias. • Assessing the competence, capabilities and objectivity of the Valuer. • Obtaining and reading the valuation reports for the investment properties and holding discussion with the Valuer to understand the valuation approach or method and key assumptions as adopted in the valuations.

Independent Auditor's Report (Continued)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties (Continued)	
Convention centres and apartment block A: the valuation was derived using the discounted cash flow approach, the relevant key assumptions included estimated rental value and discount rate.	Checking the property specific information such as location, building age, occupancy status and rental value used by the Valuer against the related operation records as maintained by the Group.
All the relevant key assumptions were influenced by the prevailing market conditions and characteristics of individual property such as location, size and age of the properties.	Assessing the appropriateness of the valuation approach or method applied based on our knowledge of the Group's business and the real estate industry.
We focus on this area due to the significant quantum of investment properties in the consolidated financial statements, and also the estimation of fair value of investment properties is subject to a certain extent of estimation uncertainty, complexity and subjectivity. The inherent risk in relation to the valuation of investment properties is considered significant due to the subjectivity of significant assumptions and estimates used.	Engaging independent valuation specialists to assist in assessing the methodologies used by the Valuer and comparing the valuations of investment properties to our independently formed market expectations on a sample basis.

Independent Auditor's Report (Continued)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of net realisable value of properties under development and completed properties held-for-sale Refer to Notes 4.1(b), 13 and 14 to the consolidated financial statements The Group's properties under development ("PUD") and completed properties held-for-sale ("PHS") amounted to approximately RMB22,199 million in total as at 31 December 2025 (representing approximately 42.8% of the Group's total assets). The management assessed the net realisable value ("NRV") of PUD and PHS as at 31 December 2025 and the carrying amounts of PUD and PHS were stated at the lower of cost and NRV. Management determined the NRV based on estimated selling price less the estimated costs to completion, selling expenses and related taxes. Such determination of NRV of PUD and PHS involved significant judgements and estimates on selling prices, selling expenses and the costs to completion (applicable to PUD) which were influenced by prevailing market conditions and adjusted in consideration of the characteristics of the properties.	We performed the following procedures to address the key audit matter: • Obtaining an understanding of the management's key internal controls and assessment process for determining the NRV of PUD and PHS and assessing the inherent risk of material misstatement by considering the degree of estimation, uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias. • Evaluating and testing, on a sample basis, the management's key controls over the determination of NRV of PUD and PHS. • Evaluating the outcome of prior period assessment of NRV of PUD and PHS to assess the effectiveness of management's estimation process.

Independent Auditor's Report (Continued)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

How our audit addressed the Key Audit Matter

Assessment of net realisable value of properties under development and completed properties held-for-sale (Continued)

We focus on this area due to the significant quantum of PUD and PHS in the consolidated financial statements, and also the estimation of NRV of PUD and PHS is subject to a certain extent of estimation uncertainty, complexity and subjectivity. The inherent risk in relation to the determination of NRV of PUD and PHS is considered significant due to the subjectivity of significant assumptions and estimates used.

- Obtaining management' s assessment on NRV of PUD and PHS, evaluating the valuation methodology adopted by management and performing the following audit procedures, on a sample basis, on the key estimates as adopted by management in the assessment:
 - comparing the estimated selling prices to those of the recent market transactions (including the Group's recent pre-sales of units in the same project or comparable properties with similar size, usage and location.)
 - comparing the estimated percentage of selling expenses to selling price to the actual ratio of average selling expenses to revenue of the Group in recent years.
 - assessing the reasonableness of the transaction taxes by comparing with the theoretical transaction tax amounts as quantified by reference to the relevant tax rules.
 - comparing the estimated costs to completion to budgets approved by management and comparing the estimated total costs to the actual costs of similar type of recent completed properties of the Group.
 - conducting sensitivity analyses to determine the extent to which changes in key assumptions (whether occurring individually or in combination) would result in material misstatements related to PUD and PHS.

Independent Auditor's Report (Continued)

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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 the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Company is 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (Continued)

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Continued)

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

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

We also provide the Audit Committee of the Company 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 the Audit Committee of the Company, 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.

CHENG & CHENG LIMITED

Certified Public Accountants

Cheng Hong Cheung

Practising Certificate number: P01802

Hong Kong, 27 March 2026

Consolidated Balance Sheet

		As at 31 December	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Right-of-use assets	6	375,719	386,821
Investment properties	7	15,947,598	16,297,009
Property, plant and equipment	8	2,186,551	2,314,535
Investments accounted for using the equity method	10	347,611	268,299
Deferred income tax assets	23	1,007,605	1,159,616
Other receivables and prepayments	12	138,056	154,156
		20,003,140	20,580,436
Current assets			
Properties under development	13	7,606,451	8,680,201
Completed properties held-for-sale	14	14,592,099	17,371,429
Other inventories	15	40,097	42,418
Trade and other receivables and prepayments	12	2,570,302	3,039,682
Restricted bank deposits	16	679,767	1,121,919
Cash and cash equivalents	17	6,376,402	6,783,364
		31,865,118	37,039,013
Total assets		51,868,258	57,619,449
LIABILITIES			
Non-current liabilities			
Long-term borrowings	22	15,636,190	15,645,024
Loans from other parties	20	1,361,500	5,089,501
Employee termination benefit obligations	34	95,401	86,939
Deferred income tax liabilities	23	2,175,389	2,194,392
Lease liabilities	6	2,432	–
Deferred income		235	1,653
		19,271,147	23,017,509
Current liabilities			
Trade and other payables	20	5,217,542	5,992,601
Loans/advances from other parties	20	4,931,639	1,717,994
Contract liabilities	5	1,122,953	1,475,855
Current income tax liabilities	21	699,391	1,526,586
Lease liabilities	6	21,354	20,543
Short-term borrowings	22	253	–
Current portion of long-term borrowings	22	4,918,531	5,517,749
		16,911,663	16,251,328
Total liabilities		36,182,810	39,268,837
Net assets		15,685,448	18,350,612

Consolidated Balance Sheet (Continued)

		As at 31 December	
		2025	2024
	<i>Note</i>	RMB'000	<i>RMB'000</i>
EQUITY			
Share capital	18	3,367,020	3,367,020
Other reserves	19	4,858,661	4,830,304
Retained earnings	19	5,003,843	8,086,081
Capital and reserves attributable to ordinary shareholders of the Company		13,229,524	16,283,405
Non-controlling interests	9	2,455,924	2,067,207
Total equity		15,685,448	18,350,612

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 76 to 191 were approved by the Board of Directors of the Company on 27 March 2026 and were signed on its behalf.



Zhang Jie
Director



Liang Jie
Director

Consolidated Income Statement

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	6,060,486	7,152,407
Cost of sales	24	(6,281,456)	(7,850,456)
Gross loss		(220,970)	(698,049)
Selling and marketing expenses	24	(393,997)	(401,011)
Administrative expenses	24	(885,981)	(827,312)
Net provision for impairment losses on financial assets		(92,436)	(154,777)
Other income and other losses – net	25	(309,735)	(409,684)
Operating loss		(1,903,119)	(2,490,833)
Finance income	27	26,217	139,419
Finance expenses	27	(928,712)	(1,027,400)
Finance expenses – net	27	(902,495)	(887,981)
Share of net profit of investments accounted for using the equity method		16,943	129,631
Loss before income tax		(2,788,671)	(3,249,183)
Income tax expense	28	(493,018)	(337,030)
Loss for the year		(3,281,689)	(3,586,213)
Attributable to:			
Ordinary shareholders of the Company	29	(3,045,337)	(2,992,483)
Non-controlling interests		(236,352)	(593,730)
		(3,281,689)	(3,586,213)
Losses per share attributable to ordinary shareholders of the Company (expressed in RMB cents per share) (basic and diluted)	29	(90.45)	(88.88)

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

Consolidated Statement of Comprehensive Income

		Year ended 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Loss for the year		(3,281,689)	(3,586,213)
Other comprehensive (loss)/income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of properties newly transferred to investment properties, net of tax	19	—	50,694
Remeasurement of post-employment benefit obligations	19	(8,499)	9,062
Other comprehensive (loss)/income for the year, net of tax		(8,499)	59,756
Total comprehensive loss for the year		(3,290,188)	(3,526,457)
Attributable to:			
Ordinary shareholders of the Company		(3,053,836)	(2,932,727)
Non-controlling interests		(236,352)	(593,730)
		(3,290,188)	(3,526,457)

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

Consolidated Statement of Changes in Equity

	Attributable to ordinary shareholders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves (Note 19)	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	3,367,020	4,830,304	8,086,081	16,283,405	2,067,207	18,350,612
Loss for the year	-	-	(3,045,337)	(3,045,337)	(236,352)	(3,281,689)
Other comprehensive loss	-	(8,499)	-	(8,499)	-	(8,499)
Total comprehensive loss	-	(8,499)	(3,045,337)	(3,053,836)	(236,352)	(3,290,188)
Transactions with owners in their capacity as owners						
Appropriation of statutory reserves	-	36,901	(36,901)	-	-	-
Capital injection from non-controlling interests	-	-	-	-	706,015	706,015
Disposal of a subsidiary	-	-	-	-	(55,063)	(55,063)
Gain of control on a subsidiary without a change in ownership interest	-	-	-	-	4,382	4,382
Acquisition of ownership interest of a subsidiary without a change in control	-	(45)	-	(45)	(579)	(624)
Return of capital to non-controlling interests upon deregistration of subsidiaries	-	-	-	-	(15,000)	(15,000)
Dividends provided for or paid to non-controlling interests	-	-	-	-	(14,686)	(14,686)
Total transactions with owners in their capacity as owners	-	36,856	(36,901)	(45)	625,069	625,024
Balance at 31 December 2025	3,367,020	4,858,661	5,003,843	13,229,524	2,455,924	15,685,448

Consolidated Statement of Changes in Equity (Continued)

	Attributable to ordinary shareholders of the Company				Non- controlling interests	Total equity
	Share capital	Other reserves (Note 19)	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	3,367,020	4,948,137	11,229,013	19,544,170	2,683,690	22,227,860
Loss for the year	–	–	(2,992,483)	(2,992,483)	(593,730)	(3,586,213)
Other comprehensive income	–	59,756	–	59,756	–	59,756
Total comprehensive income/(loss)	–	59,756	(2,992,483)	(2,932,727)	(593,730)	(3,526,457)
Transactions with owners in their capacity as owners						
2023 final dividends	–	–	(67,340)	(67,340)	–	(67,340)
Appropriation of statutory reserves	–	83,109	(83,109)	–	–	–
Capital injection from non-controlling interests	–	–	–	–	4,900	4,900
Dividends provided for or paid to non-controlling interests	–	–	–	–	(20,000)	(20,000)
Change in ownership interests in subsidiaries without a change in control	–	(260,698)	–	(260,698)	80,898	(179,800)
Disposals of subsidiaries	–	–	–	–	(88,551)	(88,551)
Total transactions with owners in their capacity as owners	–	(177,589)	(150,449)	(328,038)	(22,753)	(350,791)
Balance at 31 December 2024	3,367,020	4,830,304	8,086,081	16,283,405	2,067,207	18,350,612

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

Consolidated Cash Flow Statement

	<i>Note</i>	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations	31	2,018,189	1,281,673
Interest received		26,217	139,419
Interest paid		(980,960)	(1,210,688)
Income tax paid		(918,075)	(512,707)
Net cash generated/(used in) from operating activities		145,371	(302,303)
Cash flows from investing activities			
Payments for property, plant and equipment		(35,171)	(74,305)
Payments for investment properties		(29,000)	(67,023)
Funds granted to non-controlling interests		(98,000)	–
Loans/funds granted to related parties		–	(538,995)
Loan repayments from related parties		–	641,285
Interests received on loans granted and other investment		296	49,527
Proceeds from sales of property, plant and equipment and investment properties		1,957	1,762
Capital injection to a joint venture		(4,655)	(245)
Dividend received from a joint venture		3,005	–
Gain of control on a subsidiary without a change in ownership interest		27,572	–
Proceeds from deregistration of a joint venture		–	16,315
Proceeds from disposal of a joint venture		–	19,647
Proceeds from disposals of subsidiaries		4,783	43,409
Net cash (used in)/generated from investing activities		(129,213)	91,377

Consolidated Cash Flow Statement (Continued)

		Year ended 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Cash flows from financing activities			
Proceeds from borrowings and issuance of bonds		2,474,326	3,470,167
Repayments of borrowings and bonds		(3,066,430)	(2,871,606)
Repayments of CMBS		–	(721,937)
Proceeds from borrowings from BNSIGC	35(ii)	605,000	1,555,000
Repayments of borrowings from BNSIGC	35(ii)	(426,000)	(2,800,000)
Proceeds from loans/advances from non-controlling interests		3,950	57,428
Repayments of loans/advances from non-controlling interests		(28)	(104,810)
Proceeds from funds from other related parties		26,168	32,489
Repayments of borrowings from other related parties		(2,510)	(17,248)
Proceeds from capital injection from non-controlling interests		4,900	4,900
Return of capital to non-controlling interests upon the deregistration of subsidiaries		(15,000)	–
Dividends paid to the Company's shareholders		–	(67,340)
Dividends paid to the non-controlling interests		(9,686)	(20,000)
Lease payments		(23,906)	(29,517)
Payments for changes in ownership interests in subsidiaries without a change in control		–	(4,738)
Payment to BNSIGC for additional ownership interests in a subsidiary		(624)	–
Net decrease in deposits paid for obtaining borrowings		6,720	6,020
Net cash used in financing activities		(423,120)	(1,511,192)
Net decrease in cash and cash equivalents		(406,962)	(1,722,118)
Cash and cash equivalents at beginning of year		6,783,364	8,505,482
Cash and cash equivalents at end of year	17	6,376,402	6,783,364

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

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Beijing North Star Company Limited (the “Company”) is a joint stock limited liability company established in the People’s Republic of China (the “PRC”) on 2 April 1997 as part of the reorganisation (the “Reorganisation”) of a state-owned enterprise, known as Beijing North Star Industrial Group Limited Liabilities Company (“BNSIGC”, the ultimate parent of the Company).

Pursuant to the Reorganisation in preparation for the listing of the Company’s H shares on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”), the Company took over the principal subsidiaries and business undertakings of BNSIGC, together with their related assets and liabilities. On 14 May 1997, the Company completed the global offering of its H share, and the Company was granted the status of a sino-foreign joint venture joint stock limited Company on 20 July 1998. The address of the Company’s registered office is No.8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC.

On 25 September 2006, the Company issued 1,500,000,000 A shares at Renminbi (“RMB”) 2.4 per share and these shares were listed on the Shanghai Stock Exchange (“SHSE”) on 16 October 2006. Since then, the Company’s shares have been dually listed on the Main Board of the SEHK and the SHSE.

The Company and its subsidiaries (collectively the “Group”) are primarily engaged in convention and exhibition and ancillary facilities services and real estate development in the PRC.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 27 March 2026.

2 BASIS OF PREPARATION

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards, the collective term which includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK (“Listing Rules”).

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties which are carried at fair value (Note 7).

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Notes to the Consolidated Financial Statements (Continued)

2 BASIS OF PREPARATION (CONTINUED)

(ii) Amended standards adopted by the Group

The Group has applied amendments to HKAS 21 “Lack of Exchangeability” for the first time for its annual financial period beginning on 1 January 2025.

The amended standard listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) New or amended standards and interpretations not yet adopted

Certain new or amended accounting standards and interpretations have been published that are not effective or mandatory for 31 December 2025 reporting period and have not been early adopted by the Group. The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far these new or amended standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except for the HKFRS 18 which will impact the presentation of profit or loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

Amendments to the Classification and measurement of financial instruments – Amendments to HKFRS 9 and HKFRS 7	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Contract: Referencing Nature-dependent Electricity – Amendments to HKFRS 9 and HKFRS 7	1 January 2026
Presentation and Disclosure in Financial Statements – HKFRS 18	1 January 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to HKAS 21	1 January 2027
Subsidiaries without Public Accountability: Disclosures – HKFRS 19 and its amendments	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to HKFRS 10 and HKAS 28	To be determined

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate 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 Board of Directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

(a) *Market risk*

(i) Foreign exchange risk

The Group operates in the PRC only, with most transactions denominated in RMB. Therefore, the Group does not have significant exposure to foreign exchange risk. The conversion of RMB into foreign currencies is subjected to the rules and regulations of the foreign exchange control, as promulgated by the PRC government.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk principally arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk, which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group closely monitors the trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements to hedge its exposure to interest rate risk, but will consider hedging interest rate risk should the need arise.

At 31 December 2025, if interest rates of borrowings obtained at variable rates had increased/decreased by 100 basis points with all other variables held constant, the Group's post-tax loss for the year, after taking into account the impact of interest capitalisation, would have been increased/decreased by approximately RMB64,789,000 (2024: RMB51,296,000).

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group is exposed to credit risk in its restricted bank deposits, cash and cash equivalents, trade and other receivables and financial guarantee contracts.

Substantially all of the Group's cash and cash equivalents, and restricted bank deposits are held all in major financial institutions located in the PRC, which management believes, are of high credit quality as majority of them are held in state-owned banks. There was no recent history of default of cash and cash equivalents, and restricted bank deposits from such financial institutions.

The Group's trade receivable balances are primarily due from third party customers as a result of sales of properties, property leasing and provision of services. The Group has no significant concentration of credit risk from its customers. The Group's other receivables are mainly receivables from subsidiaries of BBMG Corporation ("BBMG") (non-controlling shareholder of certain subsidiaries of the Group), other non-controlling interests and certain related parties. The Group performs ongoing credit evaluations of the financial condition of its customers/debtors on an individual basis, taking into accounts their financial position, past experience and other factors, and generally does not require collateral from the customers/debtors on the outstanding balances. Based on the expected realisation and timing for collection of the outstanding balances, the Group maintains a provision for loss allowance and actual losses incurred have been within management's expectation, and management believes that there is no material credit risk inherent in the Group's outstanding receivable balances.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. More details in respect of the arrangement and the related credit risk are described in Note 3.1(b) *Financial guarantee*.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables
- other financial assets at amortised cost

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss is immaterial.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses, by utilising the lifetime expected loss allowance for trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss also incorporates forward looking information.

As at 31 December 2025 and 2024, the loss allowance was determined as follows for trade receivables:

31 December 2025	Current	Less than 30 days past due	More than 30 days and less than 90 days past due	More than 90 days past due	Total
Property development					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	44	44
Loss allowance (RMB'000)	–	–	–	44	44
Property management					
Expected loss rate (%)	42.65%	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	27,755	–	–	43,960	71,715
Loss allowance (RMB'000)	11,838	–	–	43,960	55,798
Hotels					
Expected loss rate (%)	1.30%	0.00%	0.00%	100.00%	
Gross carrying amount (RMB'000)	22,465	1	11	409	22,886
Loss allowance (RMB'000)	293	–	–	409	702
Conference and exhibition					
Expected loss rate (%)	1.87%	2.97%	4.45%	75.55%	
Gross carrying amount (RMB'000)	61,517	17,955	10,842	38,164	128,478
Loss allowance (RMB'000)	1,149	534	483	28,833	30,999
Leasing-shopping malls					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	28,102	28,102
Loss allowance (RMB'000)	–	–	–	28,102	28,102
Leasing-others					
Expected loss rate (%)	0.01%	0.65%	N/A	75.30%	
Gross carrying amount (RMB'000)	72,390	153	–	2,939	75,482
Loss allowance (RMB'000)	8	1	–	2,213	2,222

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables (Continued)

31 December 2024	Current	Less than 30 days past due	More than 30 days and less than 90 days past due	More than 90 days past due	Total
Property development					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	44	44
Loss allowance (RMB'000)	–	–	–	44	44
Property management					
Expected loss rate (%)	22.46%	30.36%	N/A	100.00%	
Gross carrying amount (RMB'000)	21,297	56	–	34,460	55,813
Loss allowance (RMB'000)	4,784	17	–	34,460	39,261
Hotels					
Expected loss rate (%)	0.27%	0.34%	N/A	52.05%	
Gross carrying amount (RMB'000)	25,375	291	–	1,049	26,715
Loss allowance (RMB'000)	69	1	–	546	616
Conference and exhibition					
Expected loss rate (%)	1.63%	2.33%	3.50%	49.57%	
Gross carrying amount (RMB'000)	54,475	6,135	2,489	30,081	93,180
Loss allowance (RMB'000)	887	143	87	14,911	16,028
Leasing-shopping malls					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	28,102	28,102
Loss allowance (RMB'000)	–	–	–	28,102	28,102
Leasing-others					
Expected loss rate (%)	0.02%	0.08%	0.37%	37.99%	
Gross carrying amount (RMB'000)	74,750	1,194	267	1,645	77,856
Loss allowance (RMB'000)	15	1	1	625	642

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowance for trade receivables as at the balance sheet date respective reconcilely to the opening loss allowance as follows:

	2025 RMB'000	2024 RMB'000
Opening loss allowance at 1 January	(84,693)	(61,235)
Increase in the allowance recognised in profit or loss, net	(33,231)	(23,771)
Receivables written off during the year as uncollectible	57	313
Closing loss allowance at 31 December	(117,867)	(84,693)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made a write-off of RMB57,000 on trade receivables during the year ended 31 December 2025 (2024: The Group made a write-off of RMB313,000).

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Other receivables

The Group uses the following three stages to categorise its other receivables, which reflect their credit risk, and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected losses
Stage three	Receivables for which there is a credit loss since initial recognition	Lifetime expected losses

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

Since credit risk has not significantly increased after initial recognition, the loss allowance recognised was therefore limited to 12-month expected losses.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Other receivables (Continued)

Based on the assessment and analysis, certain receivables due from related parties in other receivables with a total carrying amount of RMB295,072,000 (2024: RMB816,629,000) as at 31 December 2025 are classified in Stage three. The impairment is measured as lifetime expected credit loss and the Group has recognised provision for impairment of RMB164,056,000 (2024: RMB556,358,000) against these other receivables as at 31 December 2025.

Except for other receivables as mentioned above, the remaining other receivables are classified in Stage one and the impairment is measured as 12-month expected credit losses.

As at 31 December 2025 and 2024, the loss allowance was determined as follows for other receivables:

	Deposits RMB'000	Due from other related parties RMB'000	Due from non- controlling interests RMB'000	Others RMB'000	Total RMB'000
Opening loss allowance as at 1 January 2025	(1,020)	(556,498)	(2,732)	(16,805)	(577,055)
Increase in the allowance recognised in profit or loss	(785)	(55,375)	(2,911)	(134)	(59,205)
Conversion of loan to an associate to equity	–	447,548	–	–	447,548
Disposals of subsidiaries and others	37	–	105	381	523
Closing loss allowance as at 31 December 2025	(1,768)	(164,325)	(5,538)	(16,558)	(188,189)

	Deposits RMB'000	Due from other related parties RMB'000	Due from non- controlling interests RMB'000	Others RMB'000	Total RMB'000
Opening loss allowance as at 1 January 2024	(1,248)	(424,787)	(4,987)	(16,376)	(447,398)
Decrease/(increase) in the allowance recognised in profit or loss	228	(131,817)	1,021	(438)	(131,006)
Disposals of subsidiaries and others	–	106	1,234	9	1,349
Closing loss allowance as at 31 December 2024	(1,020)	(556,498)	(2,732)	(16,805)	(577,055)

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Other receivables (Continued)

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group has not written off any other receivables during the years ended 31 December 2025 and 2024.

Financial guarantees

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk associated with these financial guarantees is immaterial.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2025					
Borrowings (including interests payable)	5,531,846	4,330,090	5,152,143	7,779,763	22,793,842
Trade and other payables and loans/advances from other parties (Note i)	9,979,176	803,749	602,112	5,175	11,390,212
Lease liabilities	21,984	2,450	–	–	24,434
	15,533,006	5,136,289	5,754,255	7,784,938	34,208,488
At 31 December 2024					
Borrowings (including interests payable)	6,276,235	7,123,331	4,061,616	9,792,065	27,253,247
Trade and other payables and loans/advances from other parties (Note i)	7,804,253	4,405,936	850,578	–	13,060,767
Lease liabilities	21,403	–	–	–	21,403
	14,101,891	11,529,267	4,912,194	9,792,065	40,335,417

Notes:

- (i) Excluding staff welfare benefit payable, other taxes payable and prepaid rental income from tenants.
- (ii) The table above does not include any potential liabilities which may be arising from the financial guarantees as disclosed in Note 32.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital 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 cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

The asset-liability ratios at 31 December 2025 and 2024 were as follows:

	As at 31 December 2025	2024
Asset-liability ratio	70%	68%

3.3 Fair value estimation

Other than investment properties, the Group has no other assets and liabilities that carried at fair value as at 31 December 2025 and 2024. The different levels regarding fair value determination have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Details of the fair value of investment properties have been disclosed in Note 7.

The carrying amounts of the Group's financial assets and liabilities approximated their fair values.

As described in Note 4.2, the fair value of the financial guarantees is considered not to be significant.

Notes to the Consolidated Financial Statements (Continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Estimate of fair value of investment properties*

The fair values of investment properties owned by the Group are assessed annually by an independent professional valuer. Details of the judgement and assumptions have been disclosed in Note 7.

(b) *Estimate of impairment of properties under development and completed properties held-for-sale*

Property under development and completed properties held-for-sale are reviewed by management for impairment, whenever events or changes in circumstances indicate that the carrying amount may be higher than net realisable value. The net realisable value is the estimated selling price of the properties in the ordinary course of business, less estimated costs to complete the development of properties (applicable to properties under development) and applicable variable expenses to make the sale. Management makes judgments on whether such events or changes in circumstances have occurred, and makes estimates mainly for selling price and cost to complete the development of the properties (applicable to properties under development) in determining the net realisable value.

(c) *Current and deferred income taxes*

The Group is subject to income taxes in the PRC. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

Notes to the Consolidated Financial Statements (Continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Critical accounting estimates and assumptions (Continued)

(d) *Land appreciation taxes*

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among the tax jurisdictions in various cities of the PRC. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The Group recognised these land appreciation taxes based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expenses in the periods in which such taxes are finalised with local tax authorities.

(e) *Estimate of construction cost of completed properties held-for-sale*

The Group makes estimations on properties construction cost upon recognition of respective costs of sales. Such estimates are substantiated by detail budgetary information as developed by the management, and will be assessed periodically, as the constructions progresses. Should these estimates depart from their actual finalised costs, such differences would affect the accuracy of costs of sales recognised.

4.2 Critical judgements in applying the Group's accounting policies

Revenue recognition

The Group has recognised revenue from the sale of properties held-for-sale based on the policies as disclosed in Note 5. The assessment of when an entity has transferred the control of the properties to buyers requires the examination of the circumstances of the transaction. In most cases, the transfer of control of the properties coincides with the date when the equitable interest in the property vests with the buyer upon release of the respective property to the buyer.

As disclosed in Note 32, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will expire when relevant property ownership certificates are lodged with the various banks by the purchasers. In order to obtain mortgages, the purchasers would have settled certain percentage of the total contract amount in accordance with related PRC regulations upon delivery of the properties. The directors of the Company are of the opinion that such settlements provide sufficient evidence of the purchasers' commitment to honour contractual obligation of the bank loans. In addition, based on the past experiences, there were no significant defaults of mortgage facilities by the purchasers resulted in the bank guarantees were called upon. Accordingly, the directors of the Company believe that control associated to the ownership of the properties have been transferred to the purchasers.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed by the Board of Directors of the Company (the “Board”), being the major body in making operation decisions, for assessing the operating performance and resources allocation.

The Board considers the business from product/service perspectives. From product/service perspectives, management assesses the performance of the segments of convention and exhibition and ancillary facilities services and real estate development. Convention and exhibition and ancillary facilities services is the segment which involves in operation of rental apartments, office buildings, convention centers and hotels; real estate development is the segment which involves the sales of developed properties.

Other segments of the Group mainly comprise the operation of other miscellaneous businesses, the sales of which have not been included within the reportable operating segments, as they are not included within the reports provided to the Board.

The Board assesses the performance of the operating segments based on a measure of adjusted loss before income tax based on assumptions that investment properties are measured at cost less accumulated depreciation. This measurement basis mainly excludes the fair value losses on investment properties and includes land appreciation taxes and the depreciation and impairment of investment properties as if they are measured at cost less accumulated depreciation. Other information provided, except as noted below, to the Board is measured in a manner consistent with the segment information as disclosed in the consolidated financial statements.

Total segment assets mainly exclude assets of deferred income tax assets at corporate level, corporate cash and other corporate assets, which are managed on a centralised basis; and the investment properties included in the segment assets are the amounts as if they are measured at cost less accumulated depreciation and impairment. These are part of the reconciliation to total balance sheet assets.

Total segment liabilities mainly exclude liabilities of deferred income tax liabilities, corporate borrowings and other corporate liabilities, all of which are managed on a centralised basis. These are part of the reconciliation to total consolidated balance sheet liabilities.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

The Group's revenue consists of revenue from the operation of convention and exhibition and ancillary facilities services and revenue from sales of developed properties. Revenues recognised during the years ended 31 December 2025 and 2024 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue		
Convention and exhibition and ancillary facilities services segment	2,976,591	2,960,768
Real estate development segment	2,919,548	4,010,608
	5,896,139	6,971,376
Other segments	164,347	181,031
	6,060,486	7,152,407

During the years ended 31 December 2025 and 2024, the Group derives revenue from the deliveries of properties, goods and services over time and at a point in time from the following segments:

	At a point in time	Over time
	RMB'000	RMB'000
Revenue recognised under HKFRS 15		
Year ended 31 December 2025		
Convention and exhibition and ancillary facilities services segment*	575,586	1,065,887
Real estate development segment	2,919,548	–
Other segments	21,441	142,906
	3,516,575	1,208,793

Revenue recognised under HKFRS 15		
Year ended 31 December 2024		
Convention and exhibition and ancillary facilities services segment *	535,666	921,834
Real estate development segment	4,010,608	–
Other segments	16,289	164,742
	4,562,563	1,086,576

* Rental income for the year ended 31 December 2025 of RMB1,335,118,000 (2024: RMB1,503,268,000) is recognised on a straight-line basis over the terms of the leases and has not been included in the above analysis.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

Other segments of the Group mainly comprise the operation of other miscellaneous businesses, none of which constitutes a separately reportable segment.

Sales between segments are based on terms as mutually agreed. The revenue from external parties reported to the Board is measured in a manner consistent with that in the consolidated income statement.

The segment information provided to the Board for the reportable segments for the year ended 31 December 2025 is as follows:

Business segment	Convention and exhibition and ancillary facilities services RMB'000	Real estate development RMB'000	Other segments RMB'000	Total RMB'000
Total segment revenue	3,224,238	2,919,548	198,453	6,342,239
Inter-segment revenue	(247,647)	–	(34,106)	(281,753)
Revenue from external customers	2,976,591	2,919,548	164,347	6,060,486
Adjusted profit/(loss) before income tax	348,561	(2,953,043)	(57,976)	(2,662,458)
<i>Adjusted profit/(loss) before income tax is stated after crediting/(charging) the following:</i>				
Adjusted cost of sales or services rendered	(1,772,972)	(2,175,301)	(127,840)	(4,076,113)
Adjusted depreciation	(423,857)	(32,442)	(8,602)	(464,901)
Finance income	3,388	4,989	12	8,389
Finance expenses	(695)	(787,609)	–	(788,304)
Share of net profit from investments accounted for using the equity method	4,854	12,089	–	16,943
Adjusted income tax credit/(expense)	(91,587)	(490,980)	5,992	(576,575)

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Board for the reportable segments for the year ended 31 December 2024 is as follows:

Business segment	Convention and exhibition and ancillary facilities services RMB'000	Real estate development RMB'000	Other segments RMB'000	Total RMB'000
Total segment revenue	3,256,710	4,023,389	220,022	7,500,121
Inter-segment revenue	(295,942)	(12,781)	(38,991)	(347,714)
Revenue from external customers	2,960,768	4,010,608	181,031	7,152,407
Adjusted profit/(loss) before income tax	492,087	(3,420,167)	(52,784)	(2,980,864)
<i>Adjusted profit/(loss) before income tax is stated after crediting/(charging) the following:</i>				
Adjusted cost of sales or services rendered	(1,627,623)	(3,518,346)	(140,798)	(5,286,767)
Adjusted depreciation	(389,662)	(33,660)	(9,454)	(432,776)
Finance income	2,491	18,583	26	21,100
Finance expenses	(213)	(862,018)	–	(862,231)
Share of net profit from investments accounted for using the equity method	1,921	127,710	–	129,631
Adjusted income tax credit/(expense)	(90,307)	(347,335)	2,570	(435,072)

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

The segment information as at 31 December 2025 and 2024 is as follows:

Business segment	Convention and exhibition and ancillary facilities services RMB'000	Real estate development RMB'000	Other segments RMB'000	Total RMB'000
As at 31 December 2025				
Total segment assets	10,401,908	27,477,196	87,671	37,966,775
<i>Total segment assets include:</i>				
Investments accounted for using the equity method	15,391	332,220	–	347,611
Additions to non-current assets*	39,333	5,690	1,942	46,965
Total segment liabilities	1,190,397	21,953,063	276,847	23,420,307
Contract liabilities	127,296	985,218	10,439	1,122,953
As at 31 December 2024				
Total segment assets	10,125,946	32,678,630	78,589	42,883,165
<i>Total segment assets include:</i>				
Investments accounted for using the equity method	17,111	251,188	–	268,299
Additions to non-current assets*	77,650	20,859	5,218	103,727
Total segment liabilities	1,361,736	21,126,170	378,195	22,866,101
Contract liabilities	272,395	1,197,755	5,705	1,475,855

* Non-current assets does not include investments accounted for using the equity method, other receivables and prepayments and deferred income tax assets.

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

Certain interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the treasury function centrally.

As at 31 December 2025, the contract liabilities mainly included the payments received from pre-sales of properties which were usually received in advance of the performance under the contracts. The decrease in contract liabilities during the year was in line with the decrease in the Group's contracted sales.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

The following table shows the amount of the revenue recognised during the reporting period relates to contract liabilities at the beginning of the year.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Convention and exhibition and ancillary facilities services segment	238,893	118,668
Real estate development segment	860,129	1,585,115
Other segments	5,705	5,381
	1,104,727	1,709,164

Reportable segment loss before income tax is reconciled to the Group's loss before income tax as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Adjusted loss before income tax for reportable segments	(2,662,458)	(2,980,864)
Corporate overheads	(134,897)	(126,933)
Corporate finance expense	(140,408)	(165,169)
Corporate finance income	17,828	118,319
(Provision for)/reversal of provision for impairment losses on financial assets	(881)	2,147
Other income and other losses – net	141	175
Fair value losses on investment properties (Note 25)	(370,839)	(575,267)
Reversal of depreciation and impairment of investment properties	294,827	354,556
Land appreciation tax (Note 28)	208,016	123,853
Loss before income tax	(2,788,671)	(3,249,183)

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

Reportable segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	As at 31 December 2025 RMB'000	2024 RMB'000
Total segment assets	37,966,775	42,883,165
Deferred income tax assets at corporate level	204,191	326,299
Corporate cash	4,938,284	5,598,225
Accumulated fair value gains on investment properties	4,488,787	4,859,626
Reversal of accumulated depreciation and impairment of investment properties	4,212,765	3,917,938
Other corporate assets	57,456	34,196
Total assets per consolidated balance sheet	51,868,258	57,619,449
Total segment liabilities	23,420,307	22,866,101
Deferred income tax liabilities at corporate level	2,175,389	2,194,392
Corporate borrowings	6,834,404	8,683,101
Other corporate liabilities	3,752,710	5,525,243
Total liabilities per consolidated balance sheet	36,182,810	39,268,837

The reconciliation between the Group's depreciation for reportable segments and corresponding amount per disclosure for property, plant and equipment (Note 8) and right-of-use assets (Note 6) are mainly reversal of depreciation of investment properties and other related adjustments amounting to RMB266,541,000 (2024: RMB226,169,000).

The reconciliation between reportable segment income tax expense and total income tax expense is amounting to RMB83,557,000 (2024: RMB98,042,000), representing the impact of the aforementioned reconciliation items including corporate overheads, corporate financial expense, corporate financial income, fair value losses on investment properties and reversal of depreciation and impairment of investment properties and others.

The Company and its subsidiaries were incorporated in the PRC and all the revenue from external customers of the Group for the years ended 31 December 2025 and 2024 are derived in the PRC.

At 31 December 2025 and 2024, all the Group's non-current assets other than deferred income tax assets are located in the PRC.

The Group has a large number of customers, and there was no significant revenue (in excess of 10% of the Group's revenue) derived from any specific external customers for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services and sales of properties in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the group companies.

(i) *Provision of services*

Revenue from providing convention and exhibition services, hotel service, commercial and property management services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. Revenue from providing hotel catering services externally is recognised upon completion of catering services. At the balance sheet date, the Group reestimates the progress of completed services to reflect changes in performance.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(ii) *Land development and resale*

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Therefore, revenue is recognised at a point in time when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

The revenue is measured at the transaction price agreed under the contract. The consideration is due when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

Notes to the Consolidated Financial Statements (Continued)

6. RIGHT-OF-USE ASSETS AND LEASES

(a) Right-of-use assets

	2025 RMB'000	2024 RMB'000
At 1 January	386,821	414,133
Additions	26,169	16,339
Termination of a lease	—	(1,086)
Depreciation	(37,271)	(42,565)
At 31 December	375,719	386,821

Notes:

- (i) As at 31 December 2025 and 2024, the Group's right-of-use assets comprise of land use rights, leased land and properties and details of which has been set out in Note (b) below.
- (ii) As at 31 December 2025, certain right-of-use assets with net book value of RMB362,664,000 (2024: RMB376,574,000) are pledged as securities for bank and other borrowings (Note 22).

(b) Leases

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

(i) Amounts recognised in the consolidated balance sheet

	As at 31 December 2025 RMB'000	2024 RMB'000
Right-of-use assets		
Land use rights and leased land*	366,824	380,674
Leased properties	8,895	6,147
	375,719	386,821

- * As at 31 December 2025, land use rights with carrying amounts of RMB362,664,000 (2024: RMB376,574,000) represent the prepaid lease payments made to the Mainland China government for the use of land for a lease term of 40-70 years. As at 31 December 2025, leased land with carrying amount of RMB4,160,000 (2024: RMB4,100,000) represents the net book amount of the land as leased from BNSIGC for a lease term of 1 year.

Notes to the Consolidated Financial Statements (Continued)

6. RIGHT-OF-USE ASSETS AND LEASES (CONTINUED)

(b) Leases (Continued)

(i) Amounts recognised in the consolidated balance sheet (Continued)

	As at 31 December 2025 RMB'000	2024 RMB'000
Lease liabilities		
Current	21,354	20,543
Non-current	2,432	–
	23,786	20,543

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2025 RMB'000	2024 RMB'000
Depreciation charge on right-of-use assets	37,271	42,565
Interest expenses on lease liabilities (included in finance expenses)	979	1,498
Expenses relating to short-term leases (included in cost of sales, selling and marketing expenses and administrative expenses)	16,745	21,620

The total cash outflow for leases in 2025 was RMB40,651,000 (2024: RMB52,635,000).

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

The Group leases various land, properties and equipment. Rental contracts are typically made for fixed periods of 1 to 6 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.

The lease agreements do not contain variable lease payments terms, extension and termination options and the Group does not provide any residual value guarantees.

Notes to the Consolidated Financial Statements (Continued)

6. RIGHT-OF-USE ASSETS AND LEASES (CONTINUED)

(b) Leases (Continued)

(iii) *The Group's leasing activities and how these are accounted for (Continued)*

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. See Note 38.17 for the other accounting policies relevant to lease.

To determine the incremental borrowing rate, the Group:

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

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

Certain right-of-use assets meet the definition of investment property and are measured at fair value subsequently.

The rest of right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES

	2025 RMB'000	2024 RMB'000
At fair value		
At 1 January	16,297,009	16,739,636
Additions	21,484	44,197
Transfer from property, plant and equipment	—	25,807
Disposals	(56)	(1,454)
Fair value losses recognised in profit or loss	(370,839)	(575,267)
Fair value gain recognised in other comprehensive income upon transfer from property, plant and equipment	—	67,592
Others (Note)	—	(3,502)
At 31 December	15,947,598	16,297,009

Note: Others represent the amounts adjusted for the differences between the final settled costs and the estimated costs as originally recognised based on the budgeted completion costs of the related properties.

(a) Amounts recognised in consolidated income statement for investment properties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Rental income	1,216,303	1,397,319
Direct operating expenses arising from investment properties that generated rental income	(659,003)	(684,580)
Direct operating expenses that did not generate rental income	(421,136)	(406,605)
Fair value losses recognised in profit or loss	(370,839)	(575,267)

The Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The Group has measured the deferred income tax relating to the temporary differences of these investment properties using the tax rates and the tax bases that are consistent with the expected manner of recovery of these investment properties (Note 23).

Refer to Note 33(a) for disclosure of contractual obligations for repairs, maintenance or enhancements.

The investment properties are leased to tenants under operating leases with rentals payable monthly or quarterly. Where considered necessary to reduce credit risk, the Group may obtain deposits on the term of leases. Certain leases include variable lease payment terms that are based on the revenue of tenants.

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(a) Amounts recognised in consolidated income statement for investment properties (Continued)

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

The minimum lease payments receivable on leases of investment properties has been set out in Note 33(b).

(b) Valuation basis

An independent valuation of the Group's investment properties was performed by the external valuer, Vertex Appraisal & Advisory Limited, to determine the fair value of the investment properties as at 31 December 2025 and 2024.

(i) Fair value hierarchy

	Fair value measurements at 31 December using significant unobservable inputs (Level 3)	
	2025 RMB'000	2024 RMB'000
Recurring fair value measurements for investment properties including:		
Office units	6,454,200	6,581,900
Apartments	2,051,880	2,115,270
Convention centers	3,966,000	4,009,000
Shopping malls	3,463,100	3,578,600
Others	12,418	12,239
	15,947,598	16,297,009

All of the Group's investment properties are located in Beijing, Changsha and Wuhan, the PRC and the fair value of all investment properties of the Group are included in level 3 of the fair value hierarchy.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during the year.

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(ii) *Valuation processes of the Group*

The Group's investment properties were valued on 31 December 2025 by the independent professional qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation process and results are held between the CFO, the valuation team and the valuer at least once every six months, in line with the Group's interim and annual reporting dates.

At the end of each financial year, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report; and
- Holds discussions with the independent valuer.

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

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(iii) Valuation techniques

For office units, apartments (except block A) and shopping malls, the valuations were based on income capitalisation approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.) and taking into account the significant adjustment on term yield to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

For convention centers and apartment block A, the valuation was determined using discounted cash flow projections based on significant unobservable inputs. These inputs include:

Future rental cash inflows	Based on the actual location, type and quality of the properties and supported by the terms of any existence lease, other contracts and external evidence such as current market rents or room rates for similar properties;
Discount rates	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date;
Terminal value	Taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(iv) Information about fair value measurements using significant unobservable inputs (Level 3)

The following table analyses the investment properties carried at fair value, by valuation method.

Description	Fair value at 31 December 2025 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Investment properties-office units, apartments (except block A), and shopping malls	11,906,180	Income approach (term and reversionary method)	Term yield	0.5% to 1.0% downward adjustment on the reversionary yield	The higher the term yield, the lower the fair value
			Reversionary yield	From 1.8% to 8.0%	The higher the reversionary yield, the lower the fair value
			Market rents	RMB0.66-RMB13.70/ sq.m/day	The higher the market rents, the higher the fair value
Investment properties- convention centers	3,966,000	Discounted cash flow	Rental value	For Year 1 to 5 RMB4.15-RMB6.95/ sq.m/day	The higher the rental value, the higher the fair value
			Discount rate	From 9.5% to 10.5%	The higher the discount rate, the lower the fair value
Investment properties-apartment (block A)	63,000	Discounted cash flow	Room rate	For Year 1 to 5 RMB420-RMB460/ room/day	The higher the room rate, the higher the fair value
			Discount rate	8.5%	The higher the discount rate, the lower the fair value
Investment properties-others	12,418	Discounted cash flow	Annual rent	Approximately RMB17,084,000	The higher the annual rent, the higher the fair value
			Discount rate	3.0%	The higher the discount rate, the lower the fair value

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(iv) Information about fair value measurements using significant unobservable inputs (Level 3) (Continued)

Description	Fair value at 31 December 2024 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Investment properties-office units, apartments (except block A), and shopping malls	12,206,770	Income approach (term and reversionary method)	Term yield	0.5% to 1.0% downward adjustment on the reversionary yield	The higher the term yield, the lower the fair value
			Reversionary yield	From 2.0% to 9.0%	The higher the reversionary yield, the lower the fair value
			Market rents	RMB0.67-RMB14.00/ sq.m/day	The higher the market rents, the higher the fair value
Investment properties- convention centers	4,009,000	Discounted cash flow	Rental value	For Year 1 to 5 RMB4.43-RMB6.58/ sq.m/day	The higher the rental value, the higher the fair value
			Discount rate	From 10.0% to 11.0%	The higher the discount rate, the lower the fair value
Investment properties-apartment (block A)	69,000	Discounted cash flow	Room rate	For Year 1 to 5 RMB472 -RMB511/ room/day	The higher the room rate, the higher the fair value
			Discount rate	8.5%	The higher the discount rate, the lower the fair value
Investment properties – Others	12,239	Discounted cash flow	Annual rent	Approximately RMB17,050,000	The higher the annual rent, the higher the fair value
			Discount rate	4.35%	The higher the discount rate, the lower the fair value

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(c) Non-current assets pledged as securities

As at 31 December 2025, certain investment properties with fair value of RMB9,790,000,000 (2024: RMB9,987,000,000) were pledged as securities for bank and other borrowings (Note 22).

(d) Accounting policy of Investment properties

Investment property, principally leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as "fair value losses on investment properties".

Lease income from operating leases where the Group is a lessor is recognised in the consolidated income statement as "revenue" on a straight-line basis over the lease term.

If an owner-occupied property becomes an investment property because its use has been changed, at the date of transfer, investment property is measured at fair value using the fair value model. Any resulting loss between the fair value and the carrying amount of the property on the date of transfer is recognised in profit or loss. Any resulting gain between the fair value and the carrying amount of the investment property on the date of transfer, to the extent that the gain reverses a previous impairment loss for that property, the gain is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. Any remaining part of the gain is recognised in other comprehensive income as revaluation surplus. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

Notes to the Consolidated Financial Statements (Continued)

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings and Hotel properties <i>RMB'000</i>	Plant and machinery <i>RMB'000</i>	Furniture, fixtures, equipment and motor vehicles <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024					
Opening net book amount	2,094,790	139,334	196,288	2,991	2,433,403
Additions	–	31,631	30,968	7,121	69,720
Disposals	(70)	(615)	(1,889)	–	(2,574)
Transfers	(25,807)	131	9,423	(9,554)	(25,807)
Depreciation	(75,114)	(44,793)	(44,135)	–	(164,042)
Others <i>(i)</i>	3,835	–	–	–	3,835
Closing net book amount	1,997,634	125,688	190,655	558	2,314,535
At 31 December 2024					
Cost	3,288,658	647,714	918,906	558	4,855,836
Accumulated depreciation and impairment	(1,291,024)	(522,026)	(728,251)	–	(2,541,301)
Net book amount	1,997,634	125,688	190,655	558	2,314,535
Year ended 31 December 2025					
Opening net book amount	1,997,634	125,688	190,655	558	2,314,535
Additions	–	3,885	26,224	4,764	34,873
Disposals	(188)	(695)	(1,245)	–	(2,128)
Transfers	–	334	4,292	(4,626)	–
Depreciation	(76,941)	(27,544)	(56,604)	–	(161,089)
Gain of control on a subsidiary without a change in ownership interest	–	–	63	–	63
Others <i>(i)</i>	297	–	–	–	297
Closing net book amount	1,920,802	101,668	163,385	696	2,186,551
At 31 December 2025					
Cost	3,288,767	644,048	939,405	696	4,872,916
Accumulated depreciation and impairment	(1,367,965)	(542,380)	(776,020)	–	(2,686,365)
Net book amount	1,920,802	101,668	163,385	696	2,186,551

Notes to the Consolidated Financial Statements (Continued)

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- (i) Others represent the amounts adjusted for the differences between the final settled costs and the estimated costs as originally recognised based on the budgeted completion costs of the related assets.
- (ii) As at 31 December 2025, the accumulated impairment provision on property, plant and equipment is amounted to approximately RMB78,961,000 (2024: RMB78,961,000), which is attributable to a hotel property.
- (iii) For the year ended 31 December 2025, depreciation expenses of RMB128,977,000, RMB1,608,000 and RMB30,504,000 (2024: RMB140,586,000, RMB2,361,000 and RMB21,095,000) are recognised in cost of sales, selling and marketing expenses and administrative expenses, respectively in the consolidated income statement.
- (iv) As at 31 December 2025, certain hotel properties with net book value of RMB1,398,522,000 (2024: RMB1,674,375,000) are pledged as securities for bank and other borrowings (Note 22).
- (v) Depreciation methods and useful lives

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20-70 years
Hotel properties	20-70 years
Plant and machinery	5-15 years
Furniture, fixtures, equipment and motor vehicles	5-10 years

See Note 38.2 for the other accounting policies relevant to property, plant and equipment.

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2025. All subsidiaries are established and operate in the PRC.

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2025	2024	2025	2024
Beijing North Star Real Estate Development Co., Limited 北京北辰房地產開發股份有限公司 ("BNSRE") (Notes i and x)	Beijing	Property development in Beijing	RMB500,180,000	99.09%	99.05%	0.91%	0.95%
Beijing North Star Lu Zhou Commercial Trading Co., Limited 北京北辰綠洲商貿有限公司 (Note iii)	Beijing	Trading in Beijing	RMB1,000,000	100%	100%	—	—
Beijing North Star Xin Cheng Property Management Co., Limited 北京北辰信誠物業管理有限公司 (Note iii)	Beijing	Property management in Beijing	RMB5,000,000	100%	100%	—	—
Beijing Jiang Zhuang Hu Property Co., Limited 北京姜莊湖園林別墅開發有限公司 (Notes ii and iii)	Beijing	Property development in Beijing	US\$16,000,000	51%	51%	49%	49%
Beijing Tian Cheng Tian Property Co., Limited 北京天成天房地產開發有限公司 (Note iii)	Beijing	Property development in Beijing	RMB11,000,000	100%	100%	—	—
Beijing North Star Xintong Internet Technology Service Co., Limited 北京北辰信通網絡技術服務有限公司 (Notes iii and v)	Beijing	Multimedia information network development, system integration and software development in Beijing	RMB20,000,000	100%	100%	—	—
Changsha North Star Real Estate Development Co., Limited 長沙北辰房地產開發有限公司 (Note iii)	Changsha	Property development in Changsha	RMB1,200,000,000	100%	100%	—	—
Beijing North Star Hotel Management Co., Limited 北京北辰酒店管理有限公司 (Note iii)	Beijing	Hotel and restaurant management consulting service in Beijing	RMB20,500,000	100%	100%	—	—
Beijing North Star Times Exhibition Co., Limited ("BNSTE") 北京北辰時代會展有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB10,000,000	100%	100%	—	—
Beijing North Star Exhibition Research Co., Limited 北京北辰會展研究院有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB10,000,000	100%	100%	—	—
Beijing North Star Exhibition Information Service Co., Limited 北京北辰會展信息服務有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB20,000,000	100%	100%	—	—
Beijing Capital Group Exhibitions & Events Co., Limited ("BCGEE") 首都會展(集團)有限公司 (Notes iii and v)	Beijing	Convention and exhibition in Beijing	RMB200,000,000	60%	60%	40%	40%
Beijing North Star Linghang Business Exhibition Research Co., Limited 北京北辰領航商務會展有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB10,000,000	100%	100%	—	—
Changsha Central Garden Real Estate Co., Limited ("CSCGRE") 長沙世紀御景房地產有限公司 (Note iii)	Changsha	Property development in Changsha	RMB20,410,000	51%	51%	49%	49%
Hangzhou North Star Real Estate Co., Limited 杭州北辰置業有限公司 (Notes iii and vi)	Hangzhou	Property development in Hangzhou	RMB50,000,000	—	80%	—	20%
Beijing North Star MOMA Real Estate Co., Limited 北京北辰當代置業有限公司 (Notes iii and iv)	Beijing	Property development in Beijing	RMB50,000,000	50%	50%	50%	50%

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2025	2024	2025	2024
Wuhan Guanggu Creative Culture Science & Technology Park Co., Limited 武漢光谷創意文化科技園有限公司 (Note iii)	Wuhan	Property development in Wuhan	RMB1,640,816,000	100%	100%	–	–
Chengdu Chenshi Real Estate Co., Limited 成都辰詩置業有限公司 (Notes iii and iv)	Chengdu	Property development in Chengdu	RMB70,000,000	40%	40%	60%	60%
Langfang North Star Real Estate Co., Limited 廊坊市北辰房地產開發有限公司 (Note iii)	Langfang	Property development in Langfang	RMB31,000,000	100%	100%	–	–
Chengdu North Star Tianfu Investment Co., Limited 成都北辰天府置業有限公司 (Note iii)	Chengdu	Property development in Chengdu	RMB100,000,000	100%	100%	–	–
Hangzhou North Star Jinghua Investment Co., Limited 杭州北辰京華置業有限公司 (Note iii)	Hangzhou	Property development in Hangzhou	RMB50,000,000	100%	100%	–	–
Hefei Chenxu Real Estate Development Co., Limited 合肥辰旭房地產開發有限公司 (Notes iii and iv)	Hefei	Property development in Hefei	RMB50,000,000	50%	50%	50%	50%
Ningbo North Star Jinghua Investment Co., Limited 寧波北辰京華置業有限公司 (Notes iii and vi)	Ningbo	Property development in Ningbo	RMB20,000,000	–	100%	–	–
Chongqing North Star Liangjiang Investment Co., Limited 重慶北辰兩江置業有限公司 (Note iii)	Chongqing	Property development in Chongqing	RMB100,000,000	100%	100%	–	–
Suzhou North Star Investment Co., Limited 蘇州北辰置業有限公司 (Note iii)	Suzhou	Property development in Suzhou	RMB2,000,000,000	100%	100%	–	–
Ningbo Chenxin Investment Co., Limited 寧波辰新置業有限公司 (Notes iii and xi)	Ningbo	Property development in Ningbo	RMB50,000,000	–	51%	–	49%
Beijing North Star Real Estate Group Co. Limited ("NSREG") 北京北辰地產集團有限公司 (Notes iii and v)	Beijing	Investment management in Beijing	RMB9,859,093,600	100%	100%	–	–
Wuhan North Star Chenzhi Real Estate Development Company Limited 武漢北辰辰智房地產開發有限公司 (Note iii)	Wuhan	Property development in Wuhan	RMB730,000,000	100%	100%	–	–
Wuhan North Star Chenhui Real Estate Development Company Limited 武漢北辰辰慧房地產開發有限公司 (Note iii)	Wuhan	Property development in Wuhan	RMB1,330,000,000	100%	100%	–	–
Haikou Chenzhi Real Estate Company Limited ("HKCZ") 海口辰智置業有限公司 (Note iii)	Haikou	Property development in Haikou	RMB50,000,000	70%	70%	30%	30%
Sichuan North Star Tianren Real Estate Co. Limited 四川北辰天仁置業有限公司 (Note iii)	Meishan	Property development in Meishan	RMB100,000,000	100%	100%	–	–
Wuhan North Star Pilot Business Exhibition Co. Limited 武漢北辰領航商務會展有限公司 (Note iii)	Wuhan	Convention and exhibition in Wuhan	RMB10,000,000	60%	60%	40%	40%
Chengdu North Star Zhongjin Exhibition Co. Limited 成都北辰中金展覽有限公司 (Notes iii and v)	Chengdu	Convention and exhibition in Chengdu	RMB5,000,000	51%	51%	49%	49%

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2025	2024	2025	2024
Wuhan Jinchenyingzhi Real Estate Co. Limited 武漢金辰盈智置業有限公司 (Notes iii and viii)	Wuhan	Property development in Wuhan	RMB20,000,000	51%	51%	49%	49%
Wuhan Yuchen Real Estate Co. Limited 武漢裕辰房地產開發有限公司 (Notes iii and v)	Wuhan	Property development in Wuhan	RMB30,000,000	60%	60%	40%	40%
Wuhan North Star Guangda Creative Industry Operation Management Co., Limited 武漢北辰廣大創意產業運營管理有限公司 (Note iii)	Wuhan	Property management in Wuhan	RMB2,000,000	100%	100%	—	—
Beijing Chenyu Real Estate Co. Limited ("BJCY") 北京宸宇房地產開發有限公司 (Note iii)	Beijing	Property development in Beijing	RMB5,500,000,000	51%	51%	49%	49%
Wuhan Chenfa Real Estate Co. Limited 武漢辰發房地產開發有限公司 (Notes iii and v)	Wuhan	Property development in Wuhan	RMB37,500,000	80%	80%	20%	20%
Wuhan Chenzhan Real Estate Co. Limited 武漢辰展房地產開發有限公司 (Notes iii and v)	Wuhan	Property development in Wuhan	RMB37,500,000	80%	80%	20%	20%
Changsha Binchen Real Estate Co. Limited 長沙濱辰置業有限公司 (Notes iii and vi)	Changsha	Property development in Changsha	RMB40,000,000	—	100%	—	—
Langfang Chenzhi Real Estate Co. Limited 廊坊市辰智房地產開發有限公司 (Notes iii and v)	Langfang	Property development in Langfang	RMB31,000,000	100%	100%	—	—
Chengdu Tianchen Real Estate Co. Limited 成都北辰天辰置業有限公司 (Notes iii and v)	Chengdu	Property development in Chengdu	RMB62,500,000	80%	80%	20%	20%
Chongqing Beichen Heyue Real Estate Co. Limited 重慶北辰合悅置業有限公司 (Notes iii and v)	Chongqing	Property development in Chongqing	RMB50,000,000	100%	100%	—	—
Guangzhou Chenxu Real Estate Co. Limited ("GZCX") 廣州辰旭置業有限公司 (Notes iii and v)	Guangzhou	Property development in Guangzhou	RMB1,528,886,651	51%	51%	49%	49%
Beijing North Star Xingshun Exhibition Co. Limited 北京北辰興順會展有限公司 (Notes iii and vi)	Beijing	Convention and exhibition in Beijing	RMB50,000,000	—	90%	—	10%
Ningbo North Star Jingcheng Real Estate Co. Limited 寧波北辰京誠置業有限公司 (Note iii)	Ningbo	Property development in Ningbo	RMB50,000,000	100%	100%	—	—
Langfang Chenrui Real Estate Development Co., Ltd 廊坊市辰睿房地產開發有限公司 (Note iii)	Langfang	Property development in Langfang	RMB31,000,000	100%	100%	—	—
Diaoyutai North Star Exhibition Co. Limited 釣魚台北辰(北京)會展有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB20,000,000	51%	51%	49%	49%
Haikou Chenrui Real Estate Co. Limited 海口辰睿置業有限公司 ("HKCR") (Note iii)	Haikou	Property development in Haikou	RMB50,000,000	100%	100%	—	—
Hangzhou North Star Jingyang Real Estate Co. Limited 杭州北辰京陽置業有限公司 (Note iii)	Hangzhou	Property development in Hangzhou	RMB50,000,000	100%	100%	—	—
Beijing International Exhibition Center Co. Limited 北京國際展覽中心有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB20,000,000	100%	100%	—	—
Beijing North Star Business Management Co. Limited 北京北辰商業管理有限公司 (Notes iii and v)	Beijing	Hotel and restaurant management consulting service in Beijing	RMB50,000,000	100%	100%	—	—
Beijing North Star Yue Property Service Company Limited 北京北辰悅物業服務有限公司 (Note iii)	Beijing	Property management in Beijing	RMB20,000,000	100%	100%	—	—

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2025	2024	2025	2024
Changsha Beichen International Exhibition Co., Ltd. 長沙北辰國際會展有限公司 (Note iii)	Changsha	Convention and exhibition in Changsha	RMB10,000,000	100%	100%	-	-
Beichen Zhiao (Beijing) Venue Management Co., Ltd. 北辰智奧(北京)場館管理有限公司 (Note iii)	Beijing	Property management in Beijing	RMB10,000,000	51%	51%	49%	49%
Beijing Chenwei Enterprise Operation Management Co., Ltd. 北京晨緯企業運營管理有限公司 (Note iii)	Beijing	Property management in Beijing	RMB1,000,000,000	100%	100%	-	-
Beichen Jingxi Science Fiction (Beijing) Exhibition Co., Ltd. ("BJSFCEC") 北辰京西科幻(北京)會展有限公司 (Notes iii and ix)	Beijing	Convention and exhibition in Beijing	RMB5,000,000	60%	60%	40%	40%
Beijing Beichen Zhanyun International Logistics Co., Ltd. 北京北辰展運國際物流有限公司 (Notes iii and vii)	Beijing	Freight forwarding agent in Beijing	RMB10,000,000	51%	-	49%	-
Beijing Beichen Dadu Exhibition Smart Technology Co., Ltd. 北京北辰大都會展數智科技有限公司 (Notes iii and vii)	Beijing	Convention and exhibition in Beijing	RMB20,000,000	100%	-	-	-

The English translation of above companies' name is for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

- (i) BNSRE is a joint stock limited company. A joint stock limited company is a company having a registered share capital divided into shares of equal par value.
- (ii) The company is an equity joint venture. Equity joint ventures are sino-foreign joint ventures of which the partners' capital contribution ratios are defined in the joint venture contracts and the partners' profit-sharing ratios are in proportion to the capital contribution ratios.
- (iii) These companies are limited liability companies.
- (iv) Although the Group only owns equity interests of 50% or less in these companies, the Group has the power to control and direct the key of operating and financing activities of these companies through the Group's presence in the board of directors of these companies. Consequently, these companies are considered as subsidiaries of the Group.
- (v) These companies are directly held by the Company.
- (vi) These companies were deregistered during the year ended 31 December 2025.
- (vii) These companies were newly established during the year ended 31 December 2025.
- (viii) The Company owns equity interests of 50% in the subsidiary directly and 1% indirectly.
- (ix) During the year ended 31 December 2025, the Group gained control on BJSFCEC by increasing the number of representatives in the board of directors of BJSFCEC from one to two, accounting for two-thirds of all its directors.

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

- (x) During the year ended 31 December 2025, the Group acquired 0.04% on BNSRE from BNSIGC at a consideration of RMB624,000 without a change in control. The difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration of RMB45,000 was recognised in equity.
- (xi) The Group disposed of the subsidiary at a consideration of RMB57,451,000 during the year ended 31 December 2025. A net gain of RMB139,000 on the disposal of the subsidiary was recognised in the profit or loss.

(a) Material non-controlling interests (“NCI”)

The total non-controlling interests as at 31 December 2025 was RMB2,455,924,000 (2024: RMB2,067,207,000).

Set out below is the summarised financial information of certain subsidiaries that have non-controlling interests which are material to the Group. The amounts as disclosed below are before inter-company eliminations.

Summarised balance sheet

	BJCY		GZCX		HKCZ	
	As at 31 December		As at 31 December		As at 31 December	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current						
Assets	3,973,511	4,209,923	1,089,167	1,105,944	942,804	1,056,084
Liabilities	(33,566)	(62,799)	(6,378)	(207,500)	(1,978,876)	(1,960,237)
Total net current assets	3,939,945	4,147,124	1,082,789	898,444	(1,036,072)	(904,153)
Non-current						
Assets	154,217	157,818	26	30	222	240
Liabilities	–	–	(3,000)	(1,229,750)	–	–
Total net non-current assets	154,217	157,818	(2,974)	(1,229,720)	222	240
Net assets	4,094,162	4,304,942	1,079,815	(331,276)	(1,035,850)	(903,913)
Accumulated non-controlling interests	2,006,139	2,109,422	529,109	(162,325)	(310,755)	(271,174)

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (“NCI”) (Continued)

Summarised statement of comprehensive income

	BJCY		GZCX		HKCZ	
	As at 31 December		As at 31 December		As at 31 December	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	223,182	108,261	–	–	70,328	151,989
Post-tax loss	(210,781)	(352,095)	(19,756)	(403,472)	(131,936)	(291,509)
Other comprehensive income	–	–	–	–	–	–
Total comprehensive loss	(210,781)	(352,095)	(19,756)	(403,472)	(131,936)	(291,509)
Total comprehensive loss allocated to NCI	(103,283)	(172,527)	(9,680)	(197,701)	(39,581)	(87,453)
Dividends paid to NCI	–	–	–	–	–	–

Summarised cash flows

	BJCY		GZCX		HKCZ	
	As at 31 December		As at 31 December		As at 31 December	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net cash (used in)/generated from operating activities	190,894	92,858	(2,223)	(6,678)	52,541	45,647
Net cash generated/(used in) investing activity	(200,000)	–	1,778	7,330	(20,244)	(79,824)
Net increase/(decrease) in cash and cash equivalents	(9,106)	92,858	(445)	652	32,297	(34,177)

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Associates	270,562	176,648
Joint ventures	77,049	91,651
	347,611	268,299

The amounts recognised in the consolidated income statement are as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Associates	2,467	127,293
Joint ventures	14,476	2,338
	16,943	129,631

(a) Investments in associates

	2025	2024
	RMB'000	RMB'000
At 1 January	176,648	49,355
Conversion of debt to investment (<i>Note 31 (b)(ii)</i>)	91,447	–
Share of net profit accounted for using the equity method	2,467	127,293
At 31 December	270,562	176,648

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(a) Investments in associates (Continued)

(i) Summarised financial information for a material associate

Beijing Chenxuan Real Estate Co., Limited ("BJCX")

	2024 RMB'000
Gross amount of the associate	
Current assets	786,468
Non-current assets	109
Current liabilities	(410,577)
Non-current liabilities	–
Equity	(376,000)
Revenue	2,458,534
Net profit	398,182
Other comprehensive income	–
Total comprehensive income	398,182
Dividend from the associate	–
Reconciliation to the Group's interest in the associate	
Gross amount of net assets of the associate	376,000
Group's effective interest	34%
Carrying amount in the consolidated financial statements	127,840

As at 31 December 2025, in the opinion of the directors, there was no individual associate which was considered material to the Group. Financial information of BJCX for the year ended 31 December 2025 is grouped in Note 10(a)(ii).

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(a) Investments in associates (Continued)

(ii) Individually immaterial associates

The Group has interests in immaterial associates that are accounted for using the equity method.

	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of the immaterial associates (<i>Note</i>)	270,562	48,808
Aggregate amounts of the Group's share of:		
– Post-tax loss	2,467	(547)
– Other comprehensive income	–	–
Total comprehensive loss	2,467	(547)

Note:

As at 31 December 2025 and 2024, the immaterial associates with carrying amount of RMB131,162,000 (2024: RMB127,840,000) represents one associate, which was engaged in property development. The property as developed by the associate has been substantially sold out and hence the associate has no significant contribution to the Group's loss for the year ended 31 December 2025. It is also not expected that the aforesaid associate will have any significant contribution to the Group's profit or loss going forward.

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(b) Investments in joint ventures

	2025 RMB'000	2024 RMB'000
At 1 January	91,651	277,365
Additions	–	4,900
Disposals and deregistration	–	(150,222)
Share of net profit accounted for using the equity method	14,476	2,338
Dividends paid	(22,505)	(42,730)
Gain of control on a subsidiary without change in ownership interest	(6,573)	–
At 31 December	77,049	91,651

As at 31 December 2025 and 2024, in the opinion of the directors, there is no individual joint venture which is considered as material to the Group.

As at 31 December 2025 and 2024, neither the Group nor the joint venturers can exercise absolute control over the key operating and financing activities of the joint ventures through their respective representatives in the board of directors of the respective joint venture. Accordingly, they are accounted for as joint ventures of the Group.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(b) Investments in joint ventures (Continued)

Individually immaterial joint ventures

The Group has interests in immaterial joint ventures that are accounted for using the equity method.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Aggregate carrying amount of the immaterial joint ventures (<i>note</i>)	77,049	91,651
Aggregate amounts of the Group's share of:		
– Post-tax profit	14,476	2,338
– Other comprehensive income	–	–
Total comprehensive income	14,476	2,338

Note:

As at 31 December 2025 and 2024, the immaterial joint ventures with carrying amount of RMB61,658,000 (2024: RMB74,541,000) represents one joint venture, which was engaged in property development. The property as developed by the joint venture has been substantially sold out and hence the joint venture has no significant contribution to the Group's loss for the years ended 31 December 2025 and 2024. It is also not expected that the aforesaid joint venture will have any significant contribution to the Group's profit or loss going forward.

Notes to the Consolidated Financial Statements (Continued)

11. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets	As at 31 December	
	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost		
Trade receivables (<i>Note 12</i>)	208,840	197,017
Other receivables (<i>b</i>) (<i>Note 12</i>)	1,087,445	1,216,235
Restricted bank deposits (<i>Note 16</i>)	679,767	1,121,919
Cash and cash equivalents (<i>Note 17</i>)	6,376,402	6,783,364
	8,352,454	9,318,535
Financial liabilities		
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Liabilities at amortised cost		
Trade and other payables and loans/advances from other parties (<i>c</i>)	11,266,460	12,515,451
Borrowings (<i>Note 22</i>)	20,554,974	21,162,773
Lease liabilities (<i>Note 6</i>)	23,786	20,543
	31,845,220	33,698,767

- (a) The Group's exposure to various risks associated with the financial instruments is disclosed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.
- (b) The above other receivables comprise receivables due from other related parties, receivables due from non-controlling interests and other receivables.
- (c) The above trade and other payables and loans/advances from other parties comprise trade payables, dividends payable to non-controlling interests of subsidiaries, amounts due to non-controlling interests and other related parties, loans/advances from other parties and other payables excluding statutory liabilities of subsidiaries.

Notes to the Consolidated Financial Statements (Continued)

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December					
	Current RMB'000	2025 Non-current RMB'000	Total RMB'000	Current RMB'000	2024 Non-current RMB'000	Total RMB'000
Trade and other receivables (a)	1,158,229	138,056	1,296,285	1,262,050	151,202	1,413,252
Prepayments (b)	1,412,073	–	1,412,073	1,777,632	2,954	1,780,586
	2,570,302	138,056	2,708,358	3,039,682	154,156	3,193,838

(a) Trade and other receivables

	As at 31 December					
	Current RMB'000	2025 Non-current RMB'000	Total RMB'000	Current RMB'000	2024 Non-current RMB'000	Total RMB'000
Trade receivables (i)	326,707	–	326,707	281,710	–	281,710
Less: loss allowance of trade receivables	(117,867)	–	(117,867)	(84,693)	–	(84,693)
Trade receivables – net	208,840	–	208,840	197,017	–	197,017
Receivables due from other related parties (Notes iii and 35(ix))	64,046	264,600	328,646	291,708	538,995	830,703
Receivables due from non-controlling interests (iv)	702,314	–	702,314	693,975	–	693,975
Other receivables	223,797	20,877	244,674	233,887	34,725	268,612
	990,157	285,477	1,275,634	1,219,570	573,720	1,793,290
Less: loss allowance of other receivables	(40,768)	(147,421)	(188,189)	(154,537)	(422,518)	(577,055)
Other receivables – net	949,389	138,056	1,087,445	1,065,033	151,202	1,216,235
	1,158,229	138,056	1,296,285	1,262,050	151,202	1,413,252

The fair values of trade and other receivables are not materially different from their carrying amounts.

Note 3.1 sets out information about the loss allowance of trade and other receivables and the Group's expose to credit risk.

Notes to the Consolidated Financial Statements (Continued)

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade and other receivables (Continued)

(i) Trade receivables

The majority of the Group's sales are on cash or advance basis. The remaining amounts are with credit terms of 30 to 90 days. At 31 December 2025 and 2024, the ageing analysis of the trade receivables based on the date of provision of services/goods was as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0 – 30 days	125,667	125,889
31 – 90 days	15,528	29,836
Over 90 days	185,512	125,985
	326,707	281,710

(ii) As at 31 December 2025, certain trade receivables with net book value of RMB15,531,000 (2024: RMB10,145,000) are pledged as securities for bank and other borrowings.

(iii) Receivables due from other related parties include receivables due from two joint ventures (2024: an associate and a joint venture).

(iv) The receivables due from non-controlling interests refer to the funds receivable by some subsidiaries of the Company from the minority shareholders, which do not bear interest and is recoverable on demand.

(b) Prepayments

	As at 31 December					
	2025		Total	2024		Total
	Current	Non-current		Current	Non-current	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Prepaid tax	1,361,402	–	1,361,402	1,676,409	–	1,676,409
Prepaid costs to obtain customer contracts	–	–	–	–	2,954	2,954
Other prepayments	50,671	–	50,671	101,223	–	101,223
	1,412,073	–	1,412,073	1,777,632	2,954	1,780,586

Notes to the Consolidated Financial Statements (Continued)

13. PROPERTIES UNDER DEVELOPMENT

	As at 31 December 2025 RMB'000	2024 RMB'000
Land use rights	5,101,757	5,358,373
Development costs and capitalised expenditure	2,985,126	2,673,900
Finance expenses capitalised	1,303,932	1,517,151
Less: accumulated impairment	(1,784,364)	(869,223)
	7,606,451	8,680,201
	As at 31 December 2025 RMB'000	2024 RMB'000
Land use rights:		
In PRC, held on leases of:		
Between 40 – 50 years	1,089,331	1,111,486
Over 50 years	4,012,426	4,246,887
	5,101,757	5,358,373

As at 31 December 2025, certain properties under development with net book value of RMB830,275,000 (2024: RMB3,494,749,000) are pledged as securities for bank and other borrowings (Note 22).

As at 31 December 2025, the carrying amount of the properties under development that are expected to be completed and available for sale more than twelve months after the balance sheet date amounted to approximately RMB4,674,909,000 (2024: RMB2,622,620,000). The remaining balance is expected to be completed and available for sale within one year.

(i) Accounting policy of properties under development and completed properties held-for-sale

Properties under development and completed properties held-for-sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. On completion, the properties are transferred to completed properties held-for-sale.

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

Properties under development and completed properties 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.

Notes to the Consolidated Financial Statements (Continued)

14. COMPLETED PROPERTIES HELD-FOR-SALE

	As at 31 December 2025 RMB'000	2024 RMB'000
Land use rights	7,408,270	8,658,828
Development costs and capitalised expenditure	9,332,971	10,276,810
Finance expenses capitalised	1,864,463	1,873,585
Less: accumulated impairment	(4,013,605)	(3,437,794)
	14,592,099	17,371,429

	As at 31 December 2025 RMB'000	2024 RMB'000
Land use rights:		
In PRC, held on leases of:		
Between 40 – 50 years	1,215,374	1,821,861
Over 50 years	6,192,896	6,836,967
	7,408,270	8,658,828

During the year ended 31 December 2025, RMB2,445,900,000 (2024: RMB3,892,554,000) of the completed properties held-for-sale was transferred to cost of sales.

As at 31 December 2025, completed properties held-for-sale with carrying amounts of RMB887,481,000 (2024: RMB103,691,000) were pledged as securities for bank borrowings (Note 22). See Note 13 for the accounting policies relevant to completed properties held-for-sale.

Notes to the Consolidated Financial Statements (Continued)

15. OTHER INVENTORIES

	As at 31 December 2025 RMB'000	2024 RMB'000
Goods for resale	16,387	18,538
Consumables	23,954	24,124
Less: provision for inventories	(244)	(244)
	40,097	42,418

For the year ended 31 December 2025, the cost of inventories recognised as expense and included in cost of sales amounted to RMB175,818,000 (2024: RMB206,144,000).

16. RESTRICTED BANK DEPOSITS

Restricted bank deposits mainly include the guarantee deposits for construction of certain properties pursuant to the relevant government requirements, the guarantee deposits as securities for certain mortgage loans to the Group's customers, and the restricted funds from the Group's pre-sales of properties.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the consolidated cash flow statement:

	As at 31 December 2025 RMB'000	2024 RMB'000
Cash at bank and on hand	2,496,402	5,193,364
Short-term bank deposits (a)	3,880,000	1,590,000
	6,376,402	6,783,364
Maximum exposure to credit risk	6,375,910	6,782,876

- (a) The deposits are recoverable with seven days' notice, without loss of interest earned. The effective interest rate on short-term bank deposits ranged from 0.75% to 2.025% (2024: 1.475% to 2.025%) per annum.

Notes to the Consolidated Financial Statements (Continued)

17. CASH AND CASH EQUIVALENTS (CONTINUED)

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	6,371,605	6,756,575
US dollar	2,220	22,745
HK dollar	1,641	1,683
EUR dollar	936	2,361
	6,376,402	6,783,364

The Group's cash and cash equivalents denominated in RMB, US dollar, HK dollar and EUR dollar are deposited with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

18. SHARE CAPITAL

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Registered, issued and fully paid (3,367,020,000 shares of RMB1 each)	3,367,020	3,367,020

Notes to the Consolidated Financial Statements (Continued)

19. RESERVES AND RETAINED EARNINGS

	Other reserves				Subtotal RMB'000	Retained earnings RMB'000
	Capital reserve RMB'000	Statutory reserve fund (a) RMB'000	Discretionary reserve fund (b) RMB'000	Other comprehensive income RMB'000		
At 1 January 2025	3,177,332	1,126,477	161,468	365,027	4,830,304	8,086,081
Loss for the year	-	-	-	-	-	(3,045,337)
Appropriation of statutory reserves	-	36,901	-	-	36,901	(36,901)
Remeasurement of post-employment benefit obligations	-	-	-	(8,499)	(8,499)	-
Acquisition of ownership interest of a subsidiary without a change in control (c)	(45)	-	-	-	(45)	-
At 31 December 2025	3,177,287	1,163,378	161,468	356,528	4,858,661	5,003,843
At 1 January 2024	3,438,030	1,043,368	161,468	305,271	4,948,137	11,229,013
Loss for the year	-	-	-	-	-	(2,992,483)
Appropriation of statutory reserves	-	83,109	-	-	83,109	(83,109)
Revaluation of properties newly transferred to investment properties, net of tax	-	-	-	50,694	50,694	-
Remeasurement of post-employment benefit obligations	-	-	-	9,062	9,062	-
Change in ownership interests in subsidiaries without a change in control (c)	(260,698)	-	-	-	(260,698)	-
2023 final dividends	-	-	-	-	-	(67,340)
At 31 December 2024	3,177,332	1,126,477	161,468	365,027	4,830,304	8,086,081

- (a) According to the respective Articles of Association, the Company and its subsidiaries established in the PRC are required to transfer 10% of their profit after taxation, as shown in the financial statements prepared under China Accounting Standards for Business Enterprises, which was issued by the Ministry of Finance of PRC in February 2006, to their statutory reserve fund. The statutory reserve fund can be used to offset accumulated losses or convert as share capital of the Company and the respective subsidiaries.
- (b) The proposed transfer to the discretionary reserve fund is subject to approval by the shareholders in general meeting. Its usage is similar to that of the statutory reserve fund. No transfer to the discretionary reserve fund has been proposed for the years ended 31 December 2025 and 2024.
- (c) During the year ended 31 December 2025, the Group acquired 0.04% of the equity interest of a subsidiary from BNSIGC without a change in control. The difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid was recognised in equity. During the year ended 31 December 2024, the Group acquired the entire non-controlling interests in two subsidiaries without a change in control. The differences between the amount by which the non-controlling interests were adjusted and the fair value of the considerations paid was recognised in equity.

Notes to the Consolidated Financial Statements (Continued)

20. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES

	As at 31 December					
	Current RMB'000	2025 Non-current RMB'000	Total RMB'000	Current RMB'000	2024 Non-current RMB'000	Total RMB'000
Trade and other payables (a)	5,217,542	–	5,217,542	5,992,601	–	5,992,601
Loans/advances from other parties (b)	4,931,639	1,361,500	6,293,139	1,717,994	5,089,501	6,807,495
	10,149,181	1,361,500	11,510,681	7,710,595	5,089,501	12,800,096

(a) Trade and other payables

	As at 31 December					
	Current RMB'000	2025 Non-current RMB'000	Total RMB'000	Current RMB'000	2024 Non-current RMB'000	Total RMB'000
Trade payables	3,920,424	–	3,920,424	4,664,801	–	4,664,801
– Related parties	8,141	–	8,141	625,816	–	625,816
– Third parties	3,912,283	–	3,912,283	4,038,985	–	4,038,985
Prepaid rental income from tenants	101,992	–	101,992	100,668	–	100,668
Dividends payable to non-controlling interests of subsidiaries	1,162	–	1,162	1,162	–	1,162
Amounts due to non-controlling interests of subsidiaries	–	–	–	38,952	–	38,952
Amounts due to other related parties (Note 35(ix))	2,965	–	2,965	100	–	100
Employee termination benefit obligations current portion	5,664	–	5,664	5,533	–	5,533
Other taxes payable	136,565	–	136,565	178,444	–	178,444
Other payables	1,048,770	–	1,048,770	1,002,941	–	1,002,941
	5,217,542	–	5,217,542	5,992,601	–	5,992,601

At 31 December 2024, certain amounts due to non-controlling interests, amounting to RMB266,000, were deemed as amounts due to related parties since the non-controlling interests had significant influence over the related subsidiaries which were material to the Group. During the year ended 31 December 2025, non-controlling interests were no longer deemed as related parties.

Notes to the Consolidated Financial Statements (Continued)

20. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES (CONTINUED)

(a) Trade and other payables (Continued)

At 31 December 2025 and 2024, the ageing analysis of the trade payables based on date of services/goods received. The ageing analysis of the Group's trade payables is as follows:

	As at 31 December 2025 RMB'000	2024 RMB'000
0 – 180 days	1,270,577	1,499,404
181 – 365 days	243,968	578,138
Over 365 days	2,405,879	2,587,259
	3,920,424	4,664,801

(b) Loans/advances from other parties

	As at 31 December					
	Current RMB'000	2025 Non-current RMB'000	Total RMB'000	Current RMB'000	2024 Non-current RMB'000	Total RMB'000
Loans from non-controlling interests (i)	1,323,261	1,500	1,324,761	1,426,403	602,885	2,029,288
Loans from BNSIGC (Note 35(iii))	475,622	1,360,000	1,835,622	27,770	1,629,000	1,656,770
CMBS issued by the Group (ii)	2,886,534	–	2,886,534	27,011	2,857,616	2,884,627
Advances from non-controlling interests	47,949	–	47,949	48,264	–	48,264
Loans/advances from other related parties (Note 35(ix))	198,273	–	198,273	188,546	–	188,546
	4,931,639	1,361,500	6,293,139	1,717,994	5,089,501	6,807,495

- (i) Loans from non-controlling interests are all unsecured loans. As at 31 December 2025, except for loan amounts of RMB543,992,000 (2024: Nil) which have no fixed terms of repayment, RMB610,358,000 (2024: RMB1,307,588,000) is repayable within one year, the remaining loans from non-controlling interests are repayable within two years.

Loans from non-controlling interests of RMB192,960,000 and RMB230,074,000 bear interests at fixed rates of 6.5% and 7% per annum respectively (At 31 December 2024: RMB1,625,994,000 and RMB282,378,000 bear interests at fixed rates of 6.5% and 7% per annum respectively). The carrying amount of loans from non-controlling interests include interest payable of RMB168,911,000 (At 31 December 2024: RMB120,916,000), which is interest-free.

At 31 December 2024, certain loans from non-controlling interests of RMB463,043,000 were deemed as loans from related parties since the non-controlling interests had significant influence over the related subsidiaries which were material to the Group. During the year ended 31 December 2025, non-controlling interests were no longer deemed as related parties.

Notes to the Consolidated Financial Statements (Continued)

20. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES (CONTINUED)

(b) Loans/advances from other parties (Continued)

- (ii) On 29 March 2023, the Group issued China Securities-Tianfeng-North Star Century Center CMBS ("CMBS-B") of RMB2,861,000,000, which has a term of 18 years and are divided into senior tranche and junior tranche with principal of RMB2,860,000,000 and RMB1,000,000 respectively. The coupon rate on the senior tranche is 5% per annum and the Company has purchased all the junior tranches. Open exit filing period is established for the holders of senior tranches every three years. The senior tranches were guaranteed by the Group and pledged with all current and future monetary claims and rights to proceeds (including rental income and other revenues) arising from all operating contracts (including but not limited to lease agreements) and any amendments, supplements, or modifications thereto, signed between 1 January 2023 (inclusive) and the date when the claims are fully settled (exclusive), with the relevant payment obligors, in relation to Tower A of North Star Century Center. As at 31 December 2025, the carrying amount of NSCC CMBS is RMB2,886,534,000 (2024: RMB2,884,627,000).

- (c) The carrying amounts of the Group's trade and other payables and loans/advances from other parties are denominated in Renminbi.
- (d) The carrying amounts of current portion of trade and other payables and loans/advances from other parties approximate their fair values. The fair values of the non-current portion of loans/advances from other parties are not materially different from their carrying amounts as they bear interests at rates which are comparable to market interest rates for similar instruments.

21. CURRENT INCOME TAX LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Income tax payable	163,428	387,868
Land appreciation tax payable	535,963	1,138,718
	699,391	1,526,586

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current		
Long term borrowings		
– Secured and guaranteed borrowings (a)	12,938,973	13,610,068
– Unsecured borrowings	20,455	28,635
– 5-year corporate bonds of 2021 (I) (b)	322,998	322,797
– 5-year medium term note of 2021 (I) (b)	1,303,427	1,302,674
– 5-year corporate bonds of 2021 (II) (b)	1,338,490	1,337,657
– 5-year medium term note of 2022 (I) (b)	582,386	1,076,766
– 5-year corporate bonds of 2022 (I) (b)	611,055	843,298
– 5-year medium term note of 2022 (II) (b)	1,270,353	1,446,350
– 3-year corporate bonds of 2023 (I) (b)	–	615,298
– 2-year corporate bonds of 2024 (I) (b)	382,789	382,412
– 3-year medium term note of 2024 (b)	196,933	196,818
– 3 year corporate bonds of 2025 (I) (b)	332,668	–
– 2 year corporate bonds of 2025 (II) (b)	507,984	–
– 3-year medium term note of 2025 (I) (b)	525,668	–
– 3-year medium term note of 2025 (II) (b)	220,542	–
	20,554,721	21,162,773
Less: current portion of long term borrowings	(4,918,531)	(5,517,749)
	15,636,190	15,645,024
Current		
Short term secured borrowings (a)	253	–
Current portion of long term borrowings	4,918,531	5,517,749
	4,918,784	5,517,749
Total borrowings	20,554,974	21,162,773

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

(a) Secured and guaranteed borrowings

Secured borrowings

As at 31 December 2025, long term borrowings of RMB12,922,517,000 (2024: RMB13,400,494,000) were secured by certain right-of-use assets (Note 6), investment properties (Note 7), hotel properties (Note 8), trade receivables (Note 12), properties under development (Note 13) and completed properties held-for-sale (Note 14), out of which, secured borrowing of RMB3,067,188,000 (2024: RMB2,809,000,000) are also guaranteed by the Company. As at 31 December 2025, short term borrowings of RMB253,000 (2024: Nil) were secured by properties under development (Note 13) and completed properties held-for-sale (Note 14) and were also guaranteed by the Company.

Guaranteed borrowings

As at 31 December 2025, there was no guaranteed borrowing in the Group. As at 31 December 2024, long-term borrowings of RMB190,690,000 as obtained by the Company were unsecured and guaranteed by certain subsidiaries.

Covenants

Certain of the Group's borrowings are subject to the fulfilment of covenants relating to the financial performance and values of certain pledged properties of the Company and a subsidiary, as are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants or in any case of an event of default, the borrowings would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2025 and 2024, the Group was in compliance with the relevant requirements.

(b) Corporate bonds and medium term notes

On 26 July 2021, the Company issued corporate bonds with an aggregate principal amount of RMB319,000,000. These bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB318,043,000 (net of issuance costs of RMB957,000). The interests on these bonds are paid annually and the principal is fully repayable on 26 July 2026. On 26 July 2024, certain investors put to sell back corporate bonds of RMB5,000,000 to the Company and the Company resold those bonds in the market at RMB5,000,000, the coupon rate has been adjusted from 3.46% to 2.96%.

On 21 December 2021, the Company issued medium term notes with an aggregate principal amount of RMB1,450,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.50% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these medium term notes were RMB1,446,375,000 (net of issuance costs of RMB3,625,000). On 21 December 2024, certain investors put to sell back 5 year bonds of RMB147,000,000 to the Company and the remaining 5 year bonds carried a coupon rate of 3.00% per annum. The interests on these medium term notes are paid annually and the principal is fully repayable on 21 December 2026.

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

(b) Corporate bonds and medium term notes (Continued)

On 29 December 2021, the Company issued corporate bonds with an aggregate principal amount of RMB1,339,000,000. These bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB1,334,983,000 (net of issuance costs of RMB4,017,000). On 29 December 2024, certain investors put to sell back 5 year bonds of RMB80,000,000 to the Company and the Company resold those bonds in the market at RMB80,000,000. The remaining 5 year bonds carried a coupon rate of 3.10% per annum. The interests on these bonds are paid annually and the principal is fully repayable on 29 December 2026.

On 25 April 2022, the Company issued medium term notes with an aggregate principal amount of RMB1,052,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.60% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these medium term notes were RMB1,049,686,000 (net of issuance costs of RMB2,314,000). The interests on these medium term notes are paid annually and the principal is fully repayable on 25 April 2027. On 24 April 2025, certain investors put to sell back medium term notes of RMB480,300,000 to the Company, the coupon rate has been adjusted from 3.60% to 2.90%.

On 28 April 2022, the Company issued corporate bonds with an aggregate principal amount of RMB825,000,000. These bonds have a term of 5 years, carry a coupon rate of 3.50% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB822,525,000 (net of issuance costs of RMB2,475,000). The interests on these bonds are paid annually and the principal is fully repayable on 28 April 2027. On 24 April 2025, certain investors put to sell back corporate bonds of RMB225,000,000 to the Company, the coupon rate has been adjusted from 3.50% to 2.90%.

On 22 August 2022, the Company issued medium term notes with an aggregate principal amount of RMB1,430,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.48% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these medium term notes were RMB1,426,997,000 (net of issuance costs of RMB3,003,000). The interests on these medium term notes are paid annually and the principal is fully repayable on 22 August 2027. On 22 August 2025, certain investors put to sell back medium term notes of RMB170,000,000 to the Company, the coupon rate has been adjusted from 3.48% to 2.50%.

On 17 April 2023, the Company issued corporate bonds with an aggregate principal amount of RMB600,000,000. These bonds have a term of 3 years, carry a coupon rate of 3.74% per annum and also embedded a put option to the investors at the end of the second year. The net proceeds of these bonds were RMB598,800,000 (net of issuance costs of RMB1,200,000). The interests on these bonds are paid annually. On 15 April 2025, certain investors put to sell back corporate bonds of RMB600,000,000 to the Company and the corporate bonds were fully repaid on 17 April 2025.

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

(b) Corporate bonds and medium term notes (Continued)

On 26 March 2024, the Company issued corporate bonds with an aggregate principal amount of RMB374,000,000. The bonds have a term of 2 years, carry a coupon rate of 3.10% per annum. The net proceeds of these bonds were RMB373,252,000 (net of issuance costs of RMB748,000). The interests on these bonds are paid annually and the principal is fully repayable on 26 March 2026.

On 19 December 2024, the Company issued medium term notes with an aggregate principal amount of RMB197,000,000. The notes have a term of 3 years, carry a coupon rate of 2.40% per annum. The net proceeds of the notes were RMB196,645,000 (net of issuance costs of RMB355,000). The interest on the notes is paid annually and the principal is fully repayable on 19 December 2027.

On 14 April 2025, the Company issued corporate bonds with an aggregate principal amount of RMB325,000,000. The bonds have a term of 3 years, carry a coupon rate of 3.50% per annum. The net proceeds of these bonds were RMB324,415,000 (net of issuance costs of RMB585,000). The interests on these bonds are paid annually and the principal is fully repayable on 14 April 2028.

On 24 April 2025, the Company issued corporate bonds with an aggregate principal amount of RMB500,000,000. The bonds have a term of 2 years, carry a coupon rate of 2.50% per annum. The net proceeds of these bonds were RMB499,100,000 (net of issuance costs of RMB900,000). The interests on these bonds are paid annually and the principal is fully repayable on 24 April 2027.

On 28 April 2025, the Company issued medium term notes with an aggregate principal amount of RMB518,000,000. These medium term notes have a term of 3 years, carry a coupon rate of 2.40% per annum. The net proceeds of these medium term notes were RMB517,068,000 (net of issuance costs of RMB932,000). The interests on these medium term notes are paid annually and the principal is fully repayable on 28 April 2028.

On 18 August 2025, the Company issued medium term notes with an aggregate principal amount of RMB219,000,000. These medium term notes have a term of 3 years, carry a coupon rate of 2.35% per annum. The net proceeds of these medium term notes were RMB218,606,000 (net of issuance costs of RMB394,000). The interests on these medium term notes are paid annually and the principal is fully repayable on 18 August 2028.

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

- (c) The Group's borrowings mature until 2039 and its corporate bonds and medium term notes mature until 2028. As at 31 December 2025 and 2024, the Group's borrowings were repayable as follows:

	Bank borrowings As at 31 December		Other borrowings As at 31 December		Corporate bonds and medium term notes As at 31 December	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	674,400	816,453	835,147	705,000	3,409,237	3,996,296
Between 1 and 2 years	763,244	630,233	—	834,000	3,125,582	3,331,124
Between 2 and 5 years	3,144,662	2,239,533	—	—	1,060,474	196,650
Over 5 years	7,542,228	8,413,484	—	—	—	—
	12,124,534	12,099,703	835,147	1,539,000	7,595,293	7,524,070

- (d) The effective interest rates at the balance sheet date are as follows:

	As at 31 December	
	2025	2024
Bank and other long term borrowings	3.80%	4.38%
5 year corporate bonds of 2021 (I)	3.03%	3.03%
5 year medium term note of 2021	3.06%	3.06%
5 year corporate bonds of 2021 (II)	3.17%	3.17%
5 year medium term note of 2022 (I)	2.99%	3.65%
5 year corporate bonds of 2022 (I)	2.99%	3.57%
5 year medium term note of 2022 (II)	2.55%	3.53%
3 year corporate bonds of 2023 (I)	—	3.81%
2 year corporate bonds of 2024 (I)	3.20%	3.20%
3 year medium term note of 2024	2.46%	2.46%
3 year corporate bonds of 2025 (I)	3.56%	—
2 year corporate bonds of 2025 (II)	2.59%	—
3-year medium term note of 2025 (I)	2.46%	—
3-year medium term note of 2025 (II)	2.41%	—

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

- (e) The Group's undrawn borrowing facilities are analysed as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Undrawn borrowing facilities expiring:		
– within one year	1,603,497	444,134
– between one and five years	–	938,035
	1,603,497	1,382,169

- (f) The exposure of the Group's borrowings to interests-rate changes and the contractual repricing dates or maturity whichever is the earliest date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
6 months or less	8,759,117	10,911,566
Between 6 and 12 months	6,093,511	5,127,432
Between 1 and 5 years	5,151,346	4,526,774
Over 5 years	551,000	597,001
	20,554,974	21,162,773

- (g) The fair values of the long term borrowings are not materially different from their carrying amounts.
- (h) All borrowings are denominated in Renminbi.

Notes to the Consolidated Financial Statements (Continued)

23. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at 31 December 2025 RMB'000	2024 RMB'000
Deferred income tax assets:		
– to be recovered within 12 months	53,363	114,103
– to be recovered after more than 12 months	975,244	1,072,865
	1,028,607	1,186,968
Deferred income tax liabilities:		
– to be settled within 12 months	(6,151)	(13,963)
– to be settled after more than 12 months	(2,190,240)	(2,207,781)
	(2,196,391)	(2,221,744)
Offsetting	(21,002)	(27,352)
Deferred income tax assets after offsetting	1,007,605	1,159,616
Deferred income tax liabilities after offsetting	(2,175,389)	(2,194,392)
Deferred income tax liabilities-net	(1,167,784)	(1,034,776)

The movements on the deferred income tax liabilities – net are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	(1,034,776)	(1,071,974)
(Charged)/credited to profit or loss (Note 28)	(132,961)	59,221
Charged to other comprehensive income	–	(16,898)
Disposals of subsidiaries	(47)	(5,125)
At 31 December	(1,167,784)	(1,034,776)

Notes to the Consolidated Financial Statements (Continued)

23. DEFERRED INCOME TAX (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets:

	Provisions <i>RMB'000</i>	Deductible losses <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Accrued expenses and others <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	264,072	36,888	8,431	883,645	1,193,036
Credited/(charged) to profit or loss	12,374	(11,136)	(3,295)	1,114	(943)
Disposals of subsidiaries	–	–	–	(5,125)	(5,125)
At 31 December 2024	276,446	25,752	5,136	879,634	1,186,968
Credited/(charged) to profit or loss	11,433	(25,465)	811	(145,093)	(158,314)
Disposal of a subsidiary	(47)	–	–	–	(47)
At 31 December 2025	287,832	287	5,947	734,541	1,028,607

- (a) Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognised deferred income tax assets of RMB2,067,092,000 (2024: RMB1,710,644,000) in respect of losses amounting to RMB8,268,369,000 (2024: RMB6,842,577,000) that can be carried forward against future taxable income, these tax losses will expire in the period from 2026 to 2030 as follows:

Expiring in year ending 31 December					Total
2026 <i>RMB'000</i>	2027 <i>RMB'000</i>	2028 <i>RMB'000</i>	2029 <i>RMB'000</i>	2030 <i>RMB'000</i>	<i>RMB'000</i>
1,297,640	1,405,869	1,467,490	1,926,622	2,170,748	8,268,369

The Group did not recognised deferred tax assets of RMB2,048,462,000 (2024: RMB1,475,610,000), which are attributable to unrecognised temporary differences arising from provisions for impairment of trade and others receivables, as well as impairments on properties under development and completed properties held-for-sale with a total amount of RMB8,193,846,000 (2024: RMB5,902,439,000).

Notes to the Consolidated Financial Statements (Continued)

23. DEFERRED INCOME TAX (CONTINUED)

Deferred income tax liabilities:

	Investment properties revaluation <i>RMB'000</i>	Tax depreciation allowances <i>RMB'000</i>	Right-of-use- assets <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	(1,232,055)	(1,000,616)	(8,946)	(23,393)	(2,265,010)
(Charged)/credited to profit or loss	143,816	(88,639)	3,325	1,662	60,164
Charged to other comprehensive income	(16,898)	–	–	–	(16,898)
At 31 December 2024	(1,105,137)	(1,089,255)	(5,621)	(21,731)	(2,221,744)
(Charged)/credited to profit or loss	92,710	(73,707)	(747)	7,097	25,353
At 31 December 2025	(1,012,427)	(1,162,962)	(6,368)	(14,634)	(2,196,391)

24. EXPENSES BY NATURE

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of property, plant and equipment and right-of-use assets	198,360	206,607
Provision of impairment losses for properties under development and completed properties held-for-sale	2,176,526	2,545,326
Employee benefit expense (<i>Note 26</i>)	1,136,565	1,140,280
Advertising costs	47,699	33,373
Cost of properties sold	2,175,301	3,518,346
Cost of goods sold and consumables used	175,818	206,144
Taxes and levies (other than income tax expenses)	323,644	312,954
Office and consumable expenses	60,928	89,740
Property management fee	203,195	141,897
Energy and utilities expenses	124,756	138,920
Consulting and service expenses	344,360	358,105
Repair and maintenance expenses	61,841	49,641
Short-term leases	16,745	21,620
Auditor's remuneration	6,200	6,200
Exhibition construction fee (<i>i</i>)	421,265	211,896
Others	88,231	97,730
	7,561,434	9,078,779

- (i) The exhibition construction fee was mainly related to cost as incurred for the construction and setting of exhibition stages booths for the large scale exhibition events.

Notes to the Consolidated Financial Statements (Continued)

25. OTHER INCOME AND OTHER LOSSES – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net losses on disposals of property, plant and equipment and investment properties and termination of a lease	(228)	(1,290)
Loss on deregistration of a joint venture	–	(1,156)
Loss on disposal of a joint venture	–	(3,325)
Gain/(loss) on disposals of subsidiaries	139	(368)
Fair value losses on investment properties	(370,839)	(575,267)
Donation	(650)	(500)
Government grants	9,700	5,289
Penalty and compensation income	13,437	49,434
Penalty and compensation expense	(4,665)	(6,852)
Investment income	17,121	65,742
Others	26,250	58,609
	(309,735)	(409,684)

Deferral and presentation of Government grants

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

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

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the life of a depreciable asset as a reduced depreciation expense.

26. EMPLOYEE BENEFIT EXPENSE

The employee benefit expense of the Group, including its directors' emoluments is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonus	829,113	831,094
Social security costs	272,913	283,692
Retirement benefit costs – defined contribution plans (a)	112,640	116,592
	1,214,666	1,231,378
Less: capitalised in properties under development	(78,101)	(91,098)
	1,136,565	1,140,280

Notes to the Consolidated Financial Statements (Continued)

26. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

(a) Retirement benefit costs – defined contribution plans

The employees of the subsidiaries of the Group participate in various retirement benefit plans established by different Municipal Labor and Social Insurance Bureaus in the PRC. Under these plans, the Group was required to make monthly defined contributions to these plans at 16% of the employees' basic salary (subject to a floor and a cap).

In addition, the Group provides an additional defined contribution plan to its employees. Each year, participants make contributions to the plan equaling 1.25% of their compensation (subject to a floor and a cap) and the Group will contribute 5% of the abovementioned compensation to the plan for the participants.

During the year ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2024: Nil).

Contribution totaling RMB8,424,000 (2024: RMB9,373,000) were payable to the funds of the above mentioned defined contribution plans at the year end.

(b) Five highest paid individuals

During the year ended 31 December 2025 and 2024, none of the directors of the Company is one of the five individuals whose emoluments were the highest in the Group. The emoluments payable to the remaining five (2024: five) highest paid individuals during the year are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Basic salaries and other allowances	4,708	6,727
Employer's contribution to retirement benefit scheme	519	468
	5,227	7,195

Notes to the Consolidated Financial Statements (Continued)

26. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

(b) Five highest paid individuals (Continued)

The emolument fell within the following bands:

	Number of individuals Year ended 31 December	
	2025	2024
Emolument bands RMBNil – RMB900,000 (equivalent to HK\$Nil – HK\$1,000,000)	–	1
Over RMB900,000 – RMB1,360,000 (equivalent to HK\$1,000,000 – HK\$1,500,000)	5	3
Over RMB2,700,000 – RMB3,200,000 (equivalent to HK\$3,000,000 – HK\$3,500,000)	–	1

- (c) During the year, no emolument was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors waived or agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (Continued)

27. FINANCE INCOME AND EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest expenses:		
– bank and other borrowings	(783,016)	(984,789)
– bonds and medium term notes	(232,649)	(262,963)
	(1,015,665)	(1,247,752)
Less: amounts capitalised in properties under development at a capitalisation rate of 3.61% (2024: 4.10%) per annum	94,657	227,173
	(921,008)	(1,020,579)
Bank charges and others	(7,704)	(6,821)
Finance expenses	(928,712)	(1,027,400)
Finance income – interest income	26,217	139,419
Finance expenses – net	(902,495)	(887,981)

Notes to the Consolidated Financial Statements (Continued)

28. INCOME TAX EXPENSE

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate is 25% (2024: 25%).

The subsidiaries, BCGEE and BNSTE obtained the High-Tech Enterprise Certification jointly issued by the Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Taxation Bureau of the State Taxation Administration of The People's Republic of China on 20 December 2023. In accordance with the provisions of Article 28 of the Enterprise Income Tax Law of the People's Republic of China, BCGEE and BNSTE are now entitled to enjoy a preferential enterprise income tax rate of 15%.

The Company and certain PRC subsidiaries are also subject to the PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction expenditure.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax		
PRC enterprise income tax ("EIT")	149,853	279,299
Under/(over)-provision in previous years	2,188	(6,901)
	152,041	272,398
PRC land appreciation tax	208,016	123,853
Deferred income tax (Note 23)	132,961	(59,221)
	493,018	337,030

Notes to the Consolidated Financial Statements (Continued)

28. INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the local statutory tax rate in the PRC as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before income tax expense	(2,788,671)	(3,249,183)
Less: share of net profit of investments accounted for using the equity method	(16,943)	(129,631)
	(2,805,614)	(3,378,814)
Tax calculated at the statutory tax rate of 25% (2024: 25%)	(701,404)	(844,704)
The effect of preferential income tax rate	(5,383)	(4,380)
Income not chargeable for tax purposes	(2,030)	(5,074)
Expenses not deductible for tax purposes	6,918	5,899
Tax losses not recognised	542,687	498,814
Temporary differences not recognised	497,644	593,911
Effect of the land appreciation tax in the PRC	156,012	92,890
Utilisation of previously unrecognised tax losses	(8,489)	(37,240)
Reversal of temporary differences previously recognised	4,875	43,815
Under/(over)-provision in previous years	2,188	(6,901)
Income tax expense	493,018	337,030

29. LOSSES PER SHARE

Basic losses per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the number of shares in issue during the year.

Diluted losses per share is equal to the basic losses per share since the Company has no potential dilutive ordinary shares during the years ended 31 December 2025 and 2024.

	Year ended 31 December	
	2025	2024
Loss attributable to ordinary shareholders of the Company (RMB'000)	(3,045,337)	(2,992,483)
Number of ordinary shares in issue (thousands)	3,367,020	3,367,020
Losses per share (RMB cents per share) (basic and diluted)	(90.45)	(88.88)

Notes to the Consolidated Financial Statements (Continued)

30. DIVIDENDS

The dividends paid in 2025 are RMB Nil (2024: RMB67,340,000). The Board resolved to propose that no dividend will be declared in respect of 2025 and 2024.

31. CASH GENERATED FROM OPERATIONS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before income tax	(2,788,671)	(3,249,183)
Adjustments for:		
– Net provision for impairment losses on financial assets	92,436	154,777
– Impairment losses for properties under development and completed properties held-for-sale (Notes 13 and 14)	2,176,526	2,545,326
– Depreciation of property, plant and equipment and right-of-use assets	198,360	206,607
– Fair value losses on investment properties	370,839	575,267
– Net losses on disposals of property, plant and equipment and investment properties and termination of a lease	228	1,290
– Investment income classified as investing cash flows	(17,121)	(65,742)
– Loss on deregistration of joint ventures	–	1,156
– Loss on disposal of a joint venture	–	3,325
– (Gain)/loss on disposals of subsidiaries	(139)	368
– Gain on settlement of equity transaction	–	(28,088)
– Interest income	(26,217)	(139,419)
– Interest expense	921,008	1,020,579
– Share of net profit of investments accounted for using the equity method	(16,943)	(129,631)
Operating profit before working capital changes	910,306	896,632
Changes in working capital:		
– Decrease/(increase) in restricted bank deposits	442,152	(190,065)
– Decrease/(increase) in other inventories	2,329	(921)
– Decrease in properties under development and completed properties held-for-sale, net	1,806,280	2,500,891
– Decrease/(increase) in trade and other receivables and prepayments	75,421	(66,983)
– Decrease in trade and other payables	(864,438)	(1,221,304)
– Decrease in deferred income	(1,044)	(16,604)
– Increase/(decrease) in employee termination benefit obligations	85	(6,688)
– Decrease in contract liabilities	(352,902)	(613,285)
Cash generated from operations	2,018,189	1,281,673

Notes to the Consolidated Financial Statements (Continued)

31. CASH GENERATED FROM OPERATIONS (CONTINUED)

(a) Reconciliation of liabilities from financing activities

This section sets out an analysis of liabilities from financing activities and the movements for each of the years presented.

	Liabilities from financing activities						Total RMB'000
	Borrowings RMB'000	Dividend payable to non-controlling interests and loans from non-controlling interests RMB'000	CMBS RMB'000	Loans/ advances from other related parties RMB'000	Loans from BNSIGC RMB'000	Lease liabilities RMB'000	
At 1 January 2025	(21,162,773)	(2,029,288)	(2,884,627)	(188,546)	(1,656,770)	(20,543)	(27,942,547)
Cash flows	1,364,156	2,860	149,519	(20,320)	(125,104)	23,906	1,395,017
New leases	–	–	–	–	–	(26,169)	(26,169)
Other changes							
Interest expense	(751,171)	(57,914)	(149,519)	(2,333)	(53,748)	(980)	(1,015,665)
Amortisation of the bonds	(5,186)	–	(1,907)	–	–	–	(7,093)
Gain of control on a subsidiary without a change in ownership interest	–	–	–	12,926	–	–	12,926
Non-cash financing activities (Notes 31 (b)(i) and (b)(iii))	–	758,419	–	–	–	–	758,419
At 31 December 2025	(20,554,974)	(1,325,923)	(2,886,534)	(198,273)	(1,835,622)	(23,786)	(26,825,112)
At 1 January 2024	(20,559,883)	(2,060,858)	(3,610,848)	(321,342)	(2,902,871)	(33,721)	(29,489,523)
Cash flows	266,789	157,920	910,485	(16,041)	1,312,282	31,015	2,662,450
New leases	–	–	–	–	–	(16,339)	(16,339)
Other changes							
Interest expense	(865,796)	(126,350)	(184,264)	(3,663)	(66,181)	(1,498)	(1,247,752)
Amortisation of the bonds	(3,883)	–	–	–	–	–	(3,883)
Non-cash financing activities (Notes 31 (b)(iv) and (b)(v))	–	–	–	152,500	–	–	152,500
At 31 December 2024	(21,162,773)	(2,029,288)	(2,884,627)	(188,546)	(1,656,770)	(20,543)	(27,942,547)

Notes to the Consolidated Financial Statements (Continued)

31. CASH GENERATED FROM OPERATIONS (CONTINUED)

(b) Major non-cash investing or financing activities

- (i) During the year ended 31 December 2025, the loan from non-controlling interests of RMB701,115,000 in a subsidiary, GZCX, was converted as equity attributable to non-controlling interests in conversion of shareholders' debts to equity arrangement. There is no change in the ownership interests in the subsidiary and no impact to profit or loss.
- (ii) During the year ended 31 December 2025, the loan to an associate, Guangzhou Guangyue Real Estate Co., Limited ("GZGY"), of RMB91,447,000 (loan principal of RMB538,995,000 less provision for impairment of RMB447,548,000) was converted to investments accounted for using the equity method in conversion of shareholders' debts to equity arrangement. There is no change in the ownership interests in the associate and no impact to profit or loss.
- (iii) During the year ended 31 December 2025, completed properties held-for-sale of RMB57,304,000 was offset against loans from non-controlling interests and dividends paid to non-controlling interests.
- (iv) During the year ended 31 December 2024, the Group's dividends receivables from a joint venture of RMB27,500,000 have been offset against the fund from the joint venture.
- (v) During the year ended 31 December 2024, the Group's fund from a joint venture of RMB125,000,000 has been offset against the net proceeds from the deregistration of the joint venture.
- (vi) During the year ended 31 December 2024, the Group invested in a newly established joint venture with a capital injection of RMB4,900,000, in which RMB245,000 was settled and the remaining balance of RMB4,655,000 was paid during the year ended 31 December 2025.
- (vii) The recognition of right-of-use assets and lease liabilities for the leased land, properties and equipment as detailed in Note 6 are considered as non-cash investing and financing activities.

32. FINANCIAL GUARANTEES

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB3,461,022,000 as at 31 December 2025 (2024: RMB4,175,446,000).

Such guarantees terminate upon (i) the issuance of the real estate ownership certificate which will generally be available within six months to two years after the Group delivers possession of the relevant property to its purchasers; (ii) the completion of the mortgage registration; and (iii) the issuance of the real estate miscellaneous right certificate relating to the relevant property.

The Group has not recognised any liabilities in connection with the aforesaid financial guarantee contracts as the directors of the Company are of the view that it is remote for the Group to suffer from any significant losses from these financial guarantee contracts.

Notes to the Consolidated Financial Statements (Continued)

33. COMMITMENTS

- (a) Commitments in respect of development costs attributable to investment properties, hotel properties and properties under development:

	As at 31 December 2025 RMB'000	2024 RMB'000
<i>Investment properties and hotel properties</i>		
– Contracted but not provided for	10,999	9,215
– Authorised but not contracted for	10,467	10,430
	21,466	19,645

	As at 31 December 2025 RMB'000	2024 RMB'000
<i>Properties under development</i>		
– Contracted but not provided for	1,577,315	2,678,973
– Authorised but not contracted for	236,009	387,920
	1,813,324	3,066,893

- (b) At 31 December 2025 and 2024, the Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as lessor as follows:

	As at 31 December 2025 RMB'000	2024 RMB'000
<i>Rental receivables in respect of investment properties</i>		
Not later than one year	657,972	541,523
Later than one year and not later than five years	1,098,190	1,028,693
Later than five years	360,759	433,149
	2,116,921	2,003,365

Notes to the Consolidated Financial Statements (Continued)

34. TERMINATION BENEFITS

	Current RMB'000	2025 Non-current RMB'000	Total RMB'000	Current RMB'000	2024 Non-current RMB'000	Total RMB'000
Termination benefits	5,664	95,401	101,065	5,533	86,939	92,472

The Group did have operations of retail business in supermarkets and shopping centres which were all have been eventually ceased on 8 January 2018 (the “discontinued operations”). To terminate the Group’s employment relationships with the employees for the discontinued operations prior to their statutory retirement ages, the Group has already paid certain once-off compensations to these ex-employees for their voluntary redundancy in prior years. The Group has also committed to continuing paying certain defined benefit medical or living expenses allowances to these ex-employees on a monthly basis (prior to their death) and the present value of the Group’s unfunded obligations in respect of these committed defined benefits have been recognised as the Group’s liability for the termination benefits as of the balance sheet date.

The net liability disclosed above relates to provision for termination as follows:

	As at 31 December 2025 RMB'000	2024 RMB'000
Present value of unfunded obligations	101,065	92,472

	As at 31 December 2025 RMB'000	2024 RMB'000
At 1 January	92,472	107,698
Remeasurement recognised in other comprehensive income:		
Actuarial loss/(gain) arising from changes in actuarial assumptions	8,499	(9,062)
Expenses recognised in profit or loss:		
Current service cost	3,282	(2,227)
Interest cost	2,384	2,751
Benefits paid	(5,572)	(6,688)
At 31 December	101,065	92,472

The significant actuarial assumptions were as follows:

	2025	2024
Discount rate	1.25%-2.25%	2.00%-2.25%
Salary growth rate	3.00%-6.00%	6.00%-10.00%

Notes to the Consolidated Financial Statements (Continued)

34. TERMINATION BENEFITS (CONTINUED)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption 2025	Impact on defined benefit obligation	
		Increase in assumption 2025 RMB'000	Decrease in assumption 2025 RMB'000
Discount rate	One percentage point	Decrease by 15,239	Increase by 20,189
Salary growth rate	One percentage point	Increase by 141	Decrease by 139

	Change in assumption 2024	Impact on defined benefit obligation	
		Increase in assumption 2024 RMB'000	Decrease in assumption 2024 RMB'000
Discount rate	One percentage point	Decrease by 13,369	Increase by 17,762
Salary growth rate	One percentage point	Increase by 93	Decrease by 95

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as the method adopted for calculating the defined benefit liability recognised in the consolidated balance sheet.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS

The Group is controlled by BNSIGC, which owns 35.15% (2024: 34.67%) of the Company's shares. The remaining 64.85% (2024: 65.33%) of the shares are widely held.

BNSIGC itself is a state-owned enterprise controlled by the PRC government. For the years ended 31 December 2025 and 2024, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government (collectively the "government controlled entities") mainly include the drawdown of bank borrowings and purchases of certain goods and services from these government controlled entities. The transactions with the government controlled entities are carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

For the purpose of related party transaction disclosures, the Group has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are government controlled entities (including state-owned enterprises). Many government controlled entities have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programmes. Due to the pervasiveness of the Group's convention and exhibition and ancillary facilities services and real estate development, transactions with the government controlled entities, their employees, key management personnel and close family members, and other related parties, there is no feasible way to track such transactions and ensure the completeness of certain disclosures. Nevertheless, management believes that all material related party transactions and balances, of which they are aware of, have been adequately disclosed.

For the year ended 31 December 2024, some non-controlling shareholders of certain subsidiaries of the Group has significant influence over the related subsidiaries which were material to the Group, and hence were deemed as related parties of the Group for the purpose of this related party transaction disclosure note. These non-controlling shareholders include:

- Beijing Jinyu Real Estate Development Group Co., Ltd. ("JYDC"); and
- China State Construction Jiuhe Development Group Co., Ltd. ("JHDGC") and China State Construction Engineering Corporation (holding company of JHDGC) and its subsidiaries ("CSCEC").

During the year ended 31 December 2025, considering the above mentioned subsidiaries were immaterial to the Group, non-controlling interests were no longer deemed as related parties.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Purchases/provision of services and rental with related parties

In addition to the above mentioned transactions with the government controlled entities and the related party information shown elsewhere in these consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year and balances arising from related party transactions at the end of the year as indicated:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Provision of services and rental income		
Beijing North Star Exhibition Investment Co., Ltd. ("BNSEIC", controlled by the same ultimate parent company) (management service income, internet service income, phone rental service income and office rental service income)	39,597	3,850
Beijing Chenxing International Exhibition Co., Ltd. ("BJCXIEC", an associate of BNSIGC) (internet service income and management service income)	4,165	4,991
Yuanchenxin Property Management Center ("YCXPMC", a branch of BNSIGC) (management service income)	1,195	1,310
Chenqun Property Management Center ("CYP", a branch of BNSIGC) (management service income)	1,318	1,528
Nanjing North Star Yangtze Conventional Co., Ltd. ("NJYZJ", a joint venture of the company) (management service income)	2,986	4,401
Beichen Jingxi Science Fiction (Beijing) Convention and Exhibition Co., Ltd. ("BJSFCEC") (management service income and convention and exhibition service income) [#]	—	8,519
Beijing Beichen Yayun Village Automotive Exchange Market Center ("YVAEX", controlled by the same ultimate parent company) (management service income)	1,337	1,702
Beijing Chenxuan Real Estate Co., Limited ("BJCX", an associate of the Company) (brand royalty income)	734	3,396
Zhiao Beichen (Beijing) Exhibition Service Co., Ltd. ("ZBEC", a joint venture of the Company) (management service income)	516	—

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Purchases/provision of services and rental with related parties (Continued)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Purchases of services and rental expenses		
BNSEIC (rental expense and convention and exhibition service expense)	37,217	—
BJCXIEC (convention and exhibition service expense)	1,928	—
BJSFCEC (purchases of convention and exhibition service) #	—	19,427
BNSIGC (brand royalty fee)	10	10
CYP (rental expense)	900	900
YCXPMP (management service expense)	—	10
Beijing Asia Olympic Technology Co., Ltd. ("KCYA", an associate of BNSIGC) (purchases of various goods and services)	486	72
ZBES (labor service)	14,647	—
CSCEC (purchases of construction service) *	—	723,487

Since 17 January 2025, BJSFCEC has become a subsidiary of the Group.

* During the year ended 31 December 2025, CSCEC was no longer deemed as a related party.

(a) Provision/purchases of services and rental arrangement are carried out in accordance with the terms as mutually agreed between the parties in concern.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Loans from BNSIGC

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At 1 January	1,656,770	2,902,871
Proceeds from loans	605,000	1,555,000
Repayments of loans	(426,000)	(2,800,000)
Interest accrued	53,748	66,181
Interest paid	(53,896)	(67,282)
At 31 December	1,835,622	1,656,770

On 30 July 2025, the Company obtained a loan of RMB5,000,000 from BNSIGC, this unsecured facility, with no collateral or guarantees, carries an interest rate set at the 5-year Loan Prime Rate ("LPR") minus 10 basis points per annum, with quarterly interest payments, and is repayable on 30 July 2035. There was no repayment during the year ended 31 December 2025.

On 10 October 2025, the Company obtained a loan of RMB300,000,000 from BNSIGC, this unsecured facility, with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum, with quarterly interest payments, the principal is repayable in semi-annual installments of 1% of the principal amount, and is fully repayable on 9 October 2028. There was no repayment during the year ended 31 December 2025.

On 31 December 2025, the Company obtained a loan of RMB300,000,000 from BNSIGC, this unsecured facility, with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum, with quarterly interest payments, the principal is repayable in semi-annual installments of RMB1,000,000, and is fully repayable on 30 December 2028. There was no repayment during the year ended 31 December 2025.

At 31 December 2025, a loan with remaining principal balance of RMB450,000,000 is unsecured with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum and RMB5,000,000 is repaid every six month, and the remaining balance is repayable on 7 June 2027.

At 31 December 2025, a loan with remaining principal balance of RMB485,000,000 is unsecured with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum and the principal is repayable in semi-annual installment of 1% of the principal amount, and the remaining balance is repayable on 26 December 2026.

At 31 December 2025, a loan with remaining principal balance of RMB294,000,000 is unsecured with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum, the principal is repayable in semi-annual installment of 1% of the principal amount, and the remaining balance is repayable on 2 September 2027.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) Loans from JHDGC

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At 1 January	–	444,948
Proceeds from loans	–	1,664
Interest accrued	–	29,182
Interest paid	–	(12,751)
At 31 December	–	463,043

During the year ended 31 December 2025, JHDGC was no longer deemed as a related party.

The loans were unsecured, bear interests at a fixed interest rate of 6.50% per annum and are repayable within one year at 31 December 2024.

(iv) Project cooperation funds to a joint venture and an associate

The Group has provided project cooperation funds to its joint venture, Wuhan Jinchenyingchuang Real Estate Co., Limited ("WHJCYC"), and its associate, GZGY.

Year ended 31 December 2025	WHJCYC(a) RMB'000	GZGY(b) RMB'000	Total RMB'000
At 1 January	291,708	538,995	830,703
Conversion of debt to equity	–	(538,995)	(538,995)
Interest income accrued	17,438	–	17,438
At 31 December	309,146	–	309,146

Year ended 31 December 2024	WHJCYC(a) RMB'000	GZGY(b) RMB'000	Total RMB'000
At 1 January	287,942	585,235	873,177
Project cooperation funds granted	–	538,995	538,995
Repayments of project cooperation funds	–	(584,075)	(584,075)
Interest income accrued	17,486	33,955	51,441
Interest income received	(13,720)	(35,115)	(48,835)
At 31 December	291,708	538,995	830,703

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(iv) Project cooperation funds to a joint venture and an associate (Continued)

- (a) On 30 August 2021, the Group provided a project cooperation fund of RMB362,600,000 to WHJCYC. The fund bears interests at fixed rate of 6.5% per annum, with interest payable quarterly, and is unsecured, unpledged and unguaranteed. In 2022, the Group received an early repayment of RMB9,800,000. In 2023, the Group received a repayment of RMB88,200,000. The outstanding fund of RMB264,600,000 is repayable in August 2027 (2024: repayable in August 2025). The remaining balance is interest-free, unsecured, unpledged, and unguaranteed.

At 31 December 2025, the provision for impairment of the receivables from WHJCYC amounted to RMB164,325,000 (At 31 December 2024: RMB134,140,000).

- (b) At 31 December 2024, the funds to GZGY were unsecured, bear interests at fixed rate of 6.5% per annum and were repayable in two years from November 2024. During the year ended 31 December 2025, the funds to GZGY were converted to investments accounted for using the equity method in conversion of shareholders' debts to equity arrangement.

(v) Funds from related parties

The Group has received funds from its joint ventures, Wuhan Modern Land North Star Real Estate Co., Limited ("WHML"), and ZBES, its associates, Wuxi ChenWan Real Estate Co., Limited ("WXCW"), GZGY and BJCX, a subsidiary of BNSIGC, BNSEIC, and a branch of BNSIGC, CYP.

	WHML RMB'000	HZJH* RMB'000	BJCX RMB'000	WXCW RMB'000	BNSEIC RMB'000	CYP RMB'000	JYDC* RMB'000	BJSFCEC* RMB'000	GZGY RMB'000	ZBES RMB'000	Total RMB'000
At 1 January 2025	42,000	-	96,220	22,050	10	194	-	-	11,760	5,355	177,589
Funds obtained	-	-	-	-	-	-	-	-	26,419	-	26,419
Others	-	-	-	-	-	-	-	-	-	(5,355)	(5,355)
Repayment of fund	-	-	-	-	-	(129)	-	-	(251)	-	(380)
At 31 December 2025	42,000	-	96,220	22,050	10	65	-	-	37,928	-	198,273

	WHML RMB'000	HZJH* RMB'000	BJCX RMB'000	WXCW RMB'000	BNSEIC RMB'000	CYP RMB'000	JYDC* RMB'000	BJSFCEC* RMB'000	GZGY RMB'000	ZBES RMB'000	Total RMB'000
At 1 January 2024	42,000	152,500	96,220	22,050	-	-	59	8,587	-	-	321,416
Funds obtained	-	-	-	-	10	194	558	19,267	11,760	700	32,489
Repayment of funds	-	(152,500)	-	-	-	-	(351)	(16,897)	-	-	(169,748)
Others	-	-	-	-	-	-	-	-	-	4,655	4,655
At 31 December 2024	42,000	-	96,220	22,050	10	194	266	10,957	11,760	5,355	188,812

On 17 January 2025, BJSFCEC has become a subsidiary of the Group.

* During the year ended 31 December 2025, JYDC was no longer deemed as a related party.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(v) Funds from related parties (Continued)

^v During the year ended 31 December 2024, Hangzhou Jinhu Road Estate Development Co., Limited ("HZJH") was deregistered.

The funds advanced from joint ventures and associates are unsecured, interest-free and have no fixed terms of repayment.

(vi) Funds advanced to JYDC

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	—	416,500
Funds granted during the year	—	—
Repayments of funds	—	—
At 31 December	—	416,500

During the year ended 31 December 2025, JYDC was no longer deemed as a related party.

The funds advanced to related parties were unsecured, interest-free and have no fixed terms of repayment at 31 December 2024.

(vii) Advances to related parties

	BJCXIEC	WHML	BNSIGC	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	—	—	—	—
Advances during the year	258	52	—	310
Repayments	(258)	(52)	—	(310)
At 31 December 2025	—	—	—	—

	BJCXIEC	WHML	BNSIGC	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	—	—	—	—
Advances during the year	341	19	14	374
Repayments	(341)	(19)	(14)	(374)
At 31 December 2024	—	—	—	—

The funds advance to related parties are unsecured, interest-free and have no fixed terms of repayment.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(viii) Key management compensation

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, bonus and other short-term employee benefits	17,094	14,129
Post-employment benefit	2,201	1,544
	19,295	15,673

(ix) Balances arising from purchases/provision of goods and services, funds, loans and advances

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade and other receivables and prepayments from related parties		
– GZGY [^]	–	538,995
– WHJCYC	309,146	291,708
– JYDC*	–	416,500
– BJCXIEC	–	305
– NJYZJ	796	2,265
– BNSEIC	30,773	–
– CYP	112	–
– WHML	19,500	–
– YCXPMC	108	89
– YVAEX	31	153
– CSCEC*	–	8,070
	360,466	1,258,085
Trade and other payables to related parties		
– KCYA	1,880	1,853
– JYDC*	–	266
– CSCEC*	–	623,022
– BNSEIC	532	–
– BJCXIEC	16	–
– CYP	900	900
– ZBES	7,778	141
	11,106	626,182

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(ix) Balances arising from purchases/provision of goods and services, funds, loans and advances (Continued)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Loans/advances from related parties		
– BNSIGC	1,835,622	1,656,770
– BJCX	96,220	96,220
– WHML	42,000	42,000
– WXCW	22,050	22,050
– JHDGC*	–	463,043
– GZGY^	37,928	11,760
– BNSEIC	10	10
– ZBES	–	5,355
– CYP	65	194
– BJSFCEC#	–	10,957
	2,033,895	2,308,359

^ During the year ended 31 December 2025, the receivables from GZGY were converted to investments accounted for using the equity method in conversion of shareholders' debts to equity arrangement.

On 17 January 2025, BJSFCEC has become a subsidiary of the Group.

* During the year ended 31 December 2025, JYDC, CSCEC and JHDGC were no longer deemed as related parties.

As at 31 December 2025, loss allowance for receivables from related parties of RMB164,406,000 (2024: RMB556,738,000) have been recognised based on the expected credit loss model.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(x) Lease liabilities

	As at 31 December 2025 RMB'000	2024 RMB'000
BNSIGC (lease liability in respect of the Land)	16,578	16,339

On 27 September 2019, the Company and BNSIGC have entered into an Asset Transfer Agreement pursuant to which the Company will acquire a piece of land (located in Beijing, the PRC) (the "Land") from BNSIGC.

As of the date of these consolidated financial statements, the proposed acquisition of the Land has not yet been completed because the final transfer price has yet to be approved by Beijing SASAC and the proposed acquisition of the Land has to be approved by the independent shareholders of the Company.

The Group has recognised a right-of-use asset and lease liability based on the transitional period arrangements agreed upon by both parties.

(xi) Dividends received/receivable

During the year ended 31 December 2025, the Group's joint venture, WHML, declared a dividend of RMB22,505,000 to the Group and the Group received RMB3,005,000 of the dividend income.

During the year ended 31 December 2024, the Group's joint venture, HZJH, declared a dividend of RMB42,730,000 to the Group.

Notes to the Consolidated Financial Statements (Continued)

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Loans to subsidiaries	6,384,471	12,275,820
Right-of-use assets	12,153	7,206
Investment properties	12,914,193	13,133,404
Property, plant and equipment	1,017,149	1,088,719
Investments in subsidiaries	9,922,962	9,193,230
Investments accounted for using the equity method	131,162	127,840
Deferred income tax assets	257,882	332,936
Other receivables and prepayment	341,382	10,946
	30,981,354	36,170,101
Current assets		
Loans to subsidiaries	14,098,329	9,766,517
Completed properties held-for-sale	56,646	66,696
Other inventories	35,080	36,833
Trade and other receivables and prepayments	172,034	332,432
Restricted bank deposits	8,381	8,911
Cash and cash equivalents	4,987,439	5,655,711
	19,357,909	15,867,100
Total assets	50,339,263	52,037,201

Notes to the Consolidated Financial Statements (Continued)

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
LIABILITIES		
Non-current liabilities		
Long term borrowings	12,648,105	13,372,126
Lease liabilities	2,432	–
Loans from other parties	1,360,000	4,487,617
Employee termination benefit obligations	95,401	86,939
Deferred income tax liabilities	2,123,645	2,140,424
Deferred income	235	1,653
	16,229,818	20,088,759
Current liabilities		
Trade and other payables	4,690,094	1,336,422
Amounts due to subsidiaries	5,955,972	6,649,937
Advances from other parties	200,643	172,905
Contract liabilities	113,376	197,381
Current income tax liabilities	–	538,843
Lease liabilities	21,354	18,748
Current portion of long term borrowings	4,832,797	5,049,174
	15,814,236	13,963,410
Total liabilities	32,044,054	34,052,169
Net assets	18,295,209	17,985,032
EQUITY		
Equity attributable to owners of the Company		
Share capital	3,367,020	3,367,020
Other reserves	5,089,970	5,061,568
Retained earnings	9,838,219	9,556,444
Total equity	18,295,209	17,985,032

The balance sheet of the Company was approved by the Board of Directors of the Company on 27 March 2026 and was signed on its behalf.



Zhang Jie
Director



Liang Jie
Director

Notes to the Consolidated Financial Statements (Continued)

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	Retained earnings <i>RMB'000</i>	Other reserves <i>RMB'000</i>
At 1 January 2024	9,014,093	4,918,703
Profit for the year	692,800	–
Appropriation of statutory reserves	(83,109)	83,109
2023 final dividends	(67,340)	–
Other comprehensive income	–	59,756
At 31 December 2024	9,556,444	5,061,568
At 1 January 2025	9,556,444	5,061,568
Profit for the year	318,676	–
Appropriation of statutory reserves	(36,901)	36,901
Other comprehensive loss	–	(8,499)
At 31 December 2025	9,838,219	5,089,970

Notes to the Consolidated Financial Statements (Continued)

37. BENEFITS AND INTERESTS OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

The remuneration of every director and other key management personnel is set out below

For the year ended 31 December 2025:

Name of Director	Fees RMB'000	Salary RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Housing allowance RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. ZHANG Jie	—	506	104	51	661
Ms. LIANG Jie	—	543	104	51	698
Mr. HU Hao (iv)	—	689	52	25	766
Mr. WEI Ming Qian	—	583	104	51	738
Mr. LI Wei Dong	—	—	—	—	—
Mr. YANG Hua Sen	—	740	104	51	895
Ms. ZHANG Wen Lei (v)	—	897	104	51	1,052
<i>Non-executive directors:</i>					
Mr. GAN Pei Zhong	150	—	—	—	150
Mr. CHOW Wing Kin, Anthony	150	—	—	—	150
Mr. QIAN Aimin (i)	138	—	—	—	138
Mr. CHEN De Qiu (iii)	—	—	—	—	—
<i>Key management personnel:</i>					
Mr. ZHU Yan (ii)	—	211	52	26	289
Mr. KONG Lei	—	707	104	51	862
Ms. ZHANG Yu Mei	—	425	104	51	580
Mr. FANG Di	—	446	104	51	601
Mr. MO Fei	—	733	104	51	888
	438	6,480	1,040	510	8,468

(i) Appointed as director on 24 January 2025.

(ii) Appointed as director on 23 January 2026.

(iii) Resigned from director on 24 January 2025.

(iv) Resigned from director on 4 June 2025.

(v) Resigned from director on 18 March 2026.

(vi) In compliance with the revised Company Law of the PRC, the Supervisory Committee was abolished during the year ended 31 December 2025.

Notes to the Consolidated Financial Statements (Continued)

37. BENEFITS AND INTERESTS OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL (CONTINUED)

The remuneration of every director and other key management personnel is set out below (Continued)

For the year ended 31 December 2024:

Name of Director	Fees RMB'000	Salary RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Housing allowance RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. ZHANG Jie (iii)	–	74	17	8	99
Ms. LIANG Jie (i)	–	410	93	46	549
Mr. HU Hao (ii)	–	615	101	50	766
Mr. WEI Ming Qian (ii)	–	594	101	50	745
Mr. LI Wei Dong (v)	–	339	35	37	411
Mr. YANG Hua Sen	–	609	101	50	760
Ms. ZHANG Wen Lei	–	615	101	50	766
Mr. GUO Chuan (iv)	–	218	4	4	226
<i>Non-executive directors:</i>					
Mr. CHEN De Qiu (vi)	150	–	–	–	150
Mr. GAN Pei Zhong	150	–	–	–	150
Mr. CHOW Wing Kin, Anthony	150	–	–	–	150
<i>Supervisors:</i>					
Mr. LI Xue Mei (viii)	–	128	–	–	128
Ms. DU Yan	–	662	98	50	810
Mr. MO Fei (ix)	–	–	–	–	–
Ms. LV Yi Hong (x)	–	18	–	–	18
Mr. TIAN Zhen hua (x)	–	166	17	20	203
Ms. HE Shu Fang (vii)	–	552	90	50	692
Mr. ZHAN Wei (vii)	–	537	97	50	684
	450	5,537	855	465	7,307

Notes to the Consolidated Financial Statements (Continued)

37. BENEFITS AND INTERESTS OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL (CONTINUED)

The remuneration of every director and other key management personnel is set out below (Continued)

- (i) Appointed as director on 13 March 2024.
- (ii) Appointed as director on 16 May 2024.
- (iii) Appointed as director on 28 November 2024.
- (iv) Resigned from director on 29 January 2024.
- (v) Resigned from director on 17 October 2024.
- (vi) Resigned from director on 24 January 2025.
- (vii) Appointed as supervisor on 16 May 2024.
- (viii) Resigned from supervisor on 11 January 2024.
- (ix) Resigned from supervisor on 13 March 2024.
- (x) Ceased to act as supervisor on 16 May 2024.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of Company and its subsidiaries.

38.1 Principles of consolidation and equity accounting

(i) *Subsidiaries*

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

The acquisition method of accounting is used to account for business combinations not under common control by the Group (Note 38(18)).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) *Associates*

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

(iii) *Joint arrangements*

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

Interests in joint ventures are accounted for using the equity method (see 38.1 (iv) below), after initially being recognised at cost in the consolidated balance sheet.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.1 Principles of consolidation and equity accounting (Continued)

(iv) *Equity method*

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 38.4.

(v) *Changes in ownership interests*

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

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

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

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.4).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised within 'other gains/(losses) – net', in the consolidated income statement.

Construction-in-progress represents buildings, plant and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings, the cost of plant and machinery, installation, testing and other direct costs incurred during the development period. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. The carrying amount of a construction-in-progress is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.4). When the assets concerned get ready for their intended use, the costs are depreciated in accordance with the policy as stated above. When the assets concerned are available for use, the costs are transferred to the appropriate categories of property, plant and equipment and depreciated in accordance with the policy as set out in Note 8.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.3 Land use rights

All land in Mainland China is state-owned and no individual land ownership right exists. The Group acquired the rights to use certain land and the premiums paid for such rights are recorded as land use rights, which are stated at cost and amortised over the use terms of 40 to 70 years using the straight-line method.

Land use rights which is held for development for sales are inventories (Note 13) and measured at lower of cost and net realisable value. Land use rights which are held for long-term rental yields are investment properties (Note 7) and measured at fair value. Land use rights for own use are stated at cost and amortised over the use terms of 40 to 50 years using the straight-line method.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property and measured at fair value if its fair value becomes reliably determinable or construction is completed (whichever is earlier).

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income and increases the revaluation surplus within equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss.

38.4 Impairment of non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.5 Financial assets

(i) *Classification*

The Group classifies its financial assets as financial assets at amortised cost.

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

(ii) *Recognition and derecognition*

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

(iii) *Measurement*

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

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

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other gains/(losses) - net' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

(iv) *Impairment*

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see notes 3.1(b) and 12 for further details.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.6 Financial guarantee contracts

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

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

Such financial guarantees are given to banks on behalf of certain purchasers of the Group's properties to secure mortgage loans. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised.

38.7 Trade receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 12 for further information about the Group's accounting for trade receivables and Note 38.5(iv) for a description of the Group's impairment policies.

38.8 Cash and cash equivalents

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

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.9 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

38.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

38.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.12 Current and deferred income tax

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

(i) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the PRC where the Company and its subsidiaries and joint venture and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred income tax*

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.12 Current and deferred income tax (Continued)

(ii) *Deferred income tax (Continued)*

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

38.13 Employee benefits

(i) *Pension obligations*

The Group has only defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

(ii) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.13 Employee benefits (Continued)

(iii) *Early retirement benefits*

The Group provides early retirement benefits to employees who accept early retirement arrangements. Early retirement benefits are salaries and social welfare paid for employees who accept voluntary retirement before the normal retirement date, as approved by the Group's management. The related benefit payments are made from the date of the early retirement till the normal retirement ages. The accounting treatment of the Group's early retirement benefits is in accordance with termination benefits as determined in HKAS 19. The liability is recognised for the early retirement benefit payments from the date of early retirement to the normal retirement date when satisfied the condition of termination benefit with a corresponding charge in the income statement. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognised in profit or loss when incurred.

(iv) *Bonus plans*

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) *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 balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

38.14 Provisions

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

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.15 Contract assets and contract liabilities

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

The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

38.16 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the income statement as part of other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

38.17 Leases

As Lessee

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.17 Leases (Continued)

As Lessee (Continued)

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

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

As Lessor

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature.

Entity-specific details about the Group's leasing policy are provided in Note 6.

38.18 Business combinations

(i) Business combinations under common control

The consolidated financial statements incorporates the financial statement items of the entities of businesses in which the common control combination occurs as if they had been consolidated from the date when the entities of businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement include the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

A uniform set of accounting policies is adopted by those entities. All intra-group transitions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.18 Business combinations (Continued)

(ii) *Business combinations not under common control*

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.19 Separate financial statements

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

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

38.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

38.21 Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income' or 'finance expense'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other gains/(losses) - net'.

38.22 Inventories

Other inventories

Other inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises invoiced price, delivery and other direct costs relating to the purchases. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.23 Share capital

Liquid shares, A shares and H shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

38.24 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the reporting period but not distributed at the end of the reporting period.

38.25 Accounting for costs incurred to obtain a contract

Costs such as stamp duty and sales commissions incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in other receivables and prepayments.

Supplementary Information

RECONCILIATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Group has prepared a separate set of consolidated financial statements for the year ended 31 December 2025 in accordance with the China Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance of the PRC on 15 February 2006, and thereafter (“CAS”). The differences between the financial statements prepared under CAS and HKFRS Accounting Standards are summarised as follows:

	Loss attributable to owners of the Company for the year ended 31 December		Capital and reserves attributable to the owners of the Company as at 31 December	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
As stated in accordance with CAS	(2,988,107)	(2,827,464)	6,702,492	9,699,143
Impact of HKFRS Accounting Standards adjustments				
1. Reversal of depreciation and impairment of investment properties	219,797	264,594	3,105,949	2,886,152
2. Fair value adjustment of investment properties under HKFRS Accounting Standards	(277,027)	(429,613)	3,421,083	3,698,110
As stated in accordance with HKFRS Accounting Standards	(3,045,337)	(2,992,483)	13,229,524	16,283,405

Directors' Proposal on the Appropriation of Profit for the Year of 2025

In accordance with the relevant regulations and based on the actual situation of the Company, the Board of Beijing North Star Company Limited convened a meeting on 27 March 2026 and proposed that the appropriation of profit of the Company for the year of 2025 be as follows:

- I. The appropriation of profits after taxation shall be: 10% for Statutory Reserve Fund, 0% for Discretionary Reserve Fund and 90% for profit available for distribution.
- II. The Company will not make profit distribution or other forms of distribution including transfer of capital reserve to share capital in 2025.
- III. This proposal is subject to the approval by the shareholders at the 2025 annual general meeting of the Company.

Beijing North Star Company Limited

Corporate Information

Legal name of the Company:	北京北辰實業股份有限公司
English name of the Company:	Beijing North Star Company Limited
Registered address of the Company:	No. 8 Bei Chen Dong Road Chao Yang District, Beijing the PRC
Place of business of the Company:	12th Floor, Tower A, Hui Xin Building No. 8 Bei Chen Dong Road Chao Yang District, Beijing the PRC
Legal representative of the Company:	ZHANG Jie
Company secretaries:	HU Hao (resigned on 4 June 2025) ZHU Yan (appointed on 15 October 2025) LEE Ka Sze, Carmelo
Person-in-charge on information disclosure:	HU Hao (resigned on 4 June 2025) ZHU Yan (appointed on 15 October 2025)
Enquiry unit for Company information disclosure:	Work department of the Board

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Corporate Information (Continued)

REGISTRATION

Date and place of first registration:	2 April 1997, Beijing, the PRC
Creditability code:	91110000633791930G

AUDITORS

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<i>International auditor:</i>	Cheng & Cheng Limited <i>Certified Public Accountants</i> Registered Public Interest Entity Auditor
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Corporate Information (Continued)

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