



融信中國控股有限公司  
RONSHINE CHINA HOLDINGS LIMITED

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

Stock Code : 3301

MARCH FORWARD WITH FAITH  
PERSISTENCE AND PRUDENCE

2025

ANNUAL REPORT



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ou Zonghong  
*(Chairman and Chief Executive Officer)*  
 Ms. Yu Lijuan  
 Ms. Zeng Feiyan  
 Mr. Wu Jianxing

### Non-executive Director

Mr. Li Shupeí (resigned on 31 March 2026)

### Independent Non-executive Directors

Mr. Ren Yunan  
 Mr. Ruan Weifeng  
 Mr. Feng Dongcheng (appointed on 7 March 2025)

## AUDIT COMMITTEE

Mr. Feng Dongcheng *(Chairman)*  
 (appointed on 7 March 2025)  
 Mr. Ren Yunan  
 Mr. Ruan Weifeng

## REMUNERATION COMMITTEE

Mr. Ren Yunan *(Chairman)*  
 Mr. Feng Dongcheng (appointed on 7 March 2025)  
 Mr. Ou Zonghong

## NOMINATION COMMITTEE

Mr. Ruan Weifeng *(Chairman)*  
 (appointed as chairman on 30 June 2025)  
 Mr. Feng Dongcheng (appointed on 7 March 2025)  
 Ms. Zeng Feiyan (appointed on 30 June 2025)  
 Mr. Ou Zonghong  
 (ceased to be chairman and member on 30 June 2025)

## AUDITOR

KTC Partners CPA Limited  
*Certified Public Accountants*  
 Registered Public Interest Entity Auditors  
 Room 1305-07, 13/F  
 New East Ocean Centre  
 9 Science Museum Road  
 Tsim Sha Tsui East  
 Kowloon, Hong Kong

## LEGAL ADVISERS

*As to Hong Kong law:*  
 DLA Piper Hong Kong

*As to Cayman Islands law:*  
 Conyers Dill & Pearman

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG SHARE REGISTRAR

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

## REGISTERED OFFICE

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

## Corporate Information

**PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC**

Ronshine Greenland International  
Lane 226, Panyang Road, Huacao Town  
Minhang District, Shanghai

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Level 20  
Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

**COMPANY SECRETARY**

Mr. Yu Zuoyi  
Ms. Lee Angel Pui Shan (*HKACG, ACG*)  
(resigned on 31 March 2026)

**AUTHORISED REPRESENTATIVES**

Mr. Ou Zonghong  
Mr. Yu Zuoyi (appointed on 31 March 2026)  
Ms. Lee Angel Pui Shan (resigned on 31 March 2026)

**PRINCIPAL BANKERS**

Bank of China Limited  
Agricultural Bank of China Limited  
Industrial and Commercial Bank of China Limited

**WEBSITE**

[www.rongxingroup.com](http://www.rongxingroup.com)

**STOCK CODE**

The Hong Kong Stock Exchange of Hong Kong Limited  
(the "**Stock Exchange**")  
3301

**BONDS**

US\$688,000,000 8.75% Senior Notes due 2022  
Common Code: 197676078  
ISIN: XS1976760782

US\$413,000,000 8.95% Senior Notes due 2023  
Common Code: 203146973  
ISIN: XS2031469732

US\$316,000,000 8.10% Senior Notes due 2023  
Common Code: 209094916  
ISIN: XS2090949160

US\$410,000,000 7.35% Senior Notes due 2023  
Common Code: 218930387  
ISIN: XS2189303873

US\$166,000,000 6.75% Senior Notes due 2024  
Common Code: 221151488  
ISIN: XS2211514885

US\$244,900,000 7.1% Senior Notes due 2025  
Common Code: 229030884  
ISIN: XS2290308845

\* The English translation of the Chinese names in this annual report where indicated is included for information only.

# CHAIRMAN'S STATEMENT



## Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of Ronshine China Holdings Limited (the “**Company**” or “**Ronshine**”, and together with its subsidiaries, the “**Group**”), I am pleased to present the annual results of the Group for the year ended 31 December 2025 (the “**Year**”).

## Market Review

The year 2025 marks both the conclusion of the 14th Five-Year Plan and the strategic groundwork for the 15th Five-Year Plan. During this period, the national economy has demonstrated resilience in the face of pressures, advancing toward high-quality development with a focus on innovation and structural improvement. Against the backdrop of China’s ongoing economic transformation, the real estate sector, as a critical pillar of the national economy, continues to face significant pressure.

Since entering a phase of deep adjustment in the second half of 2021, China’s real estate market has been in a four-year downturn. Throughout this period, both central and local governments have consistently refined real estate policies. The Political Bureau of the CPC Central Committee explicitly set the policy objective of “stabilizing the market by halting the decline,” effectively establishing a policy floor. With the implementation of a series of macroeconomic and property-specific support measures, the market experienced a phase of recovery. However, the impact of these policies has recently weakened, and the market remains some distance from a full-scale stabilization. At the same time, significant market divergence has emerged across different cities and property types, with resilient performance evident in prime locations and high-quality properties.

## Chairman's Statement



In 2025, the national real estate market as a whole remains in an adjustment phase. Due to factors such as the continued decline in new home sales and a significant contraction in land transactions over the past two years, the floor space of new construction starts has continued to fall. The market remains in a “de-stocking” phase, and stabilization and recovery will take time. The “15th Five-Year Plan Recommendations,” released in October 2025, explicitly called for “promoting high-quality development in the real estate sector” and emphasised the removal of unreasonable restrictive measures on housing consumption. In December 2025, the Central Economic Work Conference further prioritised “efforts to stabilise the real estate market,” outlining specific tasks related to controlling new supply, reducing inventory and optimizing supply. Additionally, local governments have continued to advance efforts to ensure housing delivery. Notably, recent financial policies related to coordination mechanisms for financing are set to implement rollover systems, which will help stabilise financing within the

“whitelist” framework and further support housing delivery efforts.

As most cities have lifted restrictive policies, the housing market is increasingly driven by supply and demand fundamentals, with divergences likely to intensify further. Core first- and second-tier cities, supported by strong economic foundations and industrial competitiveness, continue to attract inflows of high-quality talent, thereby providing a solid underpinning for the real estate market. Prime assets in core areas are expected to retain their value and demonstrate strong risk resistance, with the capacity to navigate market cycles. In contrast, the phase of rapid growth in most third- and fourth-tier cities has largely concluded, and housing is increasingly reverting to its consumption-oriented nature. The future trajectory of these markets will depend more on progress in urbanization and the growth of residents’ purchasing power. According to the National Bureau of Statistics, the national investment size in real estate development in

## Chairman's Statement

2025 totaled RMB8,278.8 billion, a year-on-year decline of 17.2%. The gross floor area ("GFA") sales of new commercial housing reached 881.01 million sq.m., down 8.7% year-on-year, while total sales of new commercial housing stood at RMB8,393.7 billion, a year-on-year decrease of 12.6%. These indicators reflect that the real estate sector remains in a phase of deep adjustment, gradually bottoming out amid ongoing dynamics.

### Business Review

The Group maintained its focus on the Yangtze River Delta and the West Coast of the Taiwan Strait so as to consolidate the advantages of its strategic regional layout, while striving to strengthen its operations and management to ensure successful project development and delivery in all aspects. During the Year, the Group's contracted sales amounted to approximately RMB3.777 billion with a year-on-year decrease of approximately 50.96%, with contracted total GFA of approximately 334,800 sq.m. and average contracted selling price of approximately RMB11,281 per sq.m. During the Year, a number of the Group's projects earned themselves a good reputation in the market for their outstanding products and services.

In respect of land reserves, the Group adhered to the development principle of steady development, mainly focusing on first- and second-tier cities. As at 31 December 2025, the Group had a total of 206 projects nationwide with a total land reserve of approximately 16.3094 million sq.m. Among them, the land reserves of the first- and second-tier cities accounted for approximately 85.21%. The Group will continue to deepen the cultivation of high-quality projects in the existing core cities and commit to improving operational efficiency, so as to enhance its brand influence continuously.

Given that the market remained operating at a low level throughout 2025, industry data exhibited sustained weakness. Although supportive signals continued to emerge from the policy front, the restoration of market confidence is expected to take time. Key indicators for property development, including investment, sales and funding, continued their downward trajectories, reflecting the structural adjustment pressures confronting the industry.

At present, the recovery of real estate market sales still faces certain challenges, while the financial constraints experienced by real estate enterprises have yet to be fundamentally alleviated. In such a challenging situation, the Group continued to adhere to its prudent development strategy and properly managed its cash flow. As at 31 December 2025, the Group's interest-bearing liabilities amounted to RMB37.594 billion. The Group took proactive steps in debt management, focused on transparency management and actively maintained communication with the market through voluntary announcements, investor relations activities, etc. Up to now, the Group has completed its onshore corporate bond restructuring, and has appointed Haitong International Capital Limited as its financial advisor for overseas debt management to initiate relevant preliminary work. In addition, the Group adopted a number of measures to ensure stable operation and enhance liquidity, including but not limited to enhancing its sales and cash collection efforts, diversifying financing channels, reasonably reducing operating costs, negotiating for the extensions of some existing debts, and disposing of certain assets, etc.

## Chairman's Statement

In spite of facing all the challenges, the Group strove to maintain the quality of its products and services. Under the call of "Guaranteeing Delivery of Real Estate Development Projects and Ensuring People's Livelihood", the Group has always stayed true to its mission and endeavored to achieve its commitment of quality delivery to the homebuyers. During the Year, the Group has completed the delivery of multiple projects, including but not limited to Zhengzhou City of Times (鄭州時光之城), Hangzhou Aoshi Mansion (杭州傲世邸), the Ocean Coastal (青島海月星灣), Taiyuan City of Times (太原時光之城), Chengdu Century Manyun (成都世紀縵雲) and Chongqing Lan Bay (重慶瀾灣). In addition, the Group is committed to all-around development in environmental, social and governance (ESG) areas, to actively fulfill its social responsibility.

### Prospects

The year 2026 marks the inaugural year of the 15th Five-Year Plan and represents a pivotal period for stabilizing the real estate sector. The essence of market stabilization lies in restoring confidence and improving expectations. Real estate policies will continue to adhere to the core logic of "halting decline and achieving stabilization," fully transitioning into a new phase of high-quality development centered on enhancing quality and efficiency. A comprehensive policy framework has been established across six key areas, including, among others, market stability and safeguarding of public welfare. At the local level, 107 provinces and cities nationwide introduced 175 policies aimed at stabilizing the market, focusing on optimizing provident fund mechanisms, enhancing product quality, providing tax and fee subsidies, expanding affordable housing, and revitalizing existing property stock, thereby actively implementing central government's directives. A number of new local policies have contributed to market stabilization and recovery. Various government departments have jointly intensified efforts across four key areas, namely improving product quality, providing targeted support for housing demands, broadening the scope of housing security as well as revitalizing

existing land stock, to facilitate the market shift from recovery toward quality enhancement and efficiency improvement. These coordinated efforts aim to foster long-term balance between supply and demand and support the industry in its steady transition into a new phase of high-quality development.

Looking forward, the Group will continue to deepen its layout in the Yangtze River Delta, the West Coast of the Taiwan Strait and other regions, strengthen its advantages in in-depth layout, actively respond to market opportunities and challenges with its persistence in high quality of products and services, make determined efforts to ensure property delivery and unremitting efforts to improve people's living environment and create happy lives.

### Acknowledgement

On behalf of the Board, I would like to express my sincere gratitude to the shareholders of the Company (the "**Shareholders**"), as well as our customers and partners for their long-term support to and trust in Ronshine. I would also like to express my heartfelt gratitude to the Directors, management team and all employees for their hard work and dedication over the past year. In 2026, the Group will continue to adhere to its vision of "becoming a leading, high-quality property developer and service provider offering an ideal lifestyle", and meanwhile, with dedication and innovation, construct the framework for the future city and create greater value for our Shareholders and investors.

**Ou Zonghong**

*Chairman*

Hong Kong, 31 March 2026

## SUMMARY OF PRINCIPAL PROPERTIES

The tables below set forth the details of the property development projects of the Group as at 31 December 2025.

### PROJECTS DEVELOPED BY THE GROUP

As at 31 December 2025, the subsidiaries, joint ventures and associates of the Group engaged in a total of 206 property development projects.

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate GFA (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time
1 Zhengzhou City of Times (鄭州時光之城)	Zhengzhou	199,774.58	51.00%	Residential	2,268,741.21	1,078,792.22	1/11/2020
2 Zhengzhou Jiangwancheng-Supai (鄭州江灣城-蘇派)	Zhengzhou	236,878.59	100.00%	Residential	1,083,419.92	931,039.00	18/8/2020
3 Zhengzhou Jiangwancheng-Delan (鄭州江灣城-德藍)	Zhengzhou	196,121.00	100.00%	Residential	919,396.69	907,418.54	1/4/2026
4 Zhengzhou Olympic Century (鄭州奧體世紀)	Zhengzhou	63,661.00	52.21%	Residential	1,369,144.45	532,254.86	1/8/2021
5 Taiyuan City of Times (太原時光之城)	Taiyuan	117,073.23	80.08%	Residential	1,430,381.43	479,488.62	1/8/2022
6 Fuzhou Hot Spring City (福州融信溫泉城)	Fuzhou	1,018,836.00	50.00%	Residential	1,543,647.00	270,345.60	1/12/2020
7 Zhengzhou Jiangwancheng -Zhongqiao (鄭州江灣城-中喬)	Zhengzhou	302,571.59	100.00%	Residential	474,862.60	241,339.02	1/10/2021
8 Weinan Wenquetai (渭南文關台)	Weinan	58,181.00	19.25%	Residential	288,758.98	187,979.65	1/8/2024
9 Xi'an Sandi 86 mu Project (西安三迪86畝項目)	Xi'an	57,704.96	30.00%	Residential	186,444.00	154,732.34	1/6/2023
10 Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	Zhengzhou	64,876.00	100.00%	Residential	252,987.87	148,328.61	31/11/2021
11 Jurong Tianyuefu (句容天悅府)	Zhenjiang	53,873.00	18.00%	Residential	145,462.30	143,279.68	1/5/2020
12 Nantong Chongzhou Yuanlin Road Plot (南通崇州園林路地塊)	Nantong	52,712.00	40.00%	Residential	174,151.00	125,977.35	1/5/2024
13 Xi'an Sandi 115 mu Project (西安三迪115畝項目)	Xi'an	77,018.38	30.00%	Residential	243,363.00	130,166.55	1/5/2023
14 The Ocean Coastal (青島海月星灣)	Qingdao	100,705.00	51.00%	Residential	400,600.00	117,319.90	1/5/2021
15 Nanjing Bo'an Center (南京鉞岸中心)	Nanjing	42,707.52	100.00%	Residential	292,564.18	109,874.55	1/11/2020
16 Lanzhou Park Academy (蘭州公園學府)	Lanzhou	88,946.00	32.73%	Residential	343,860.95	104,373.48	1/10/2022
17 Xianyou Jianfa Cooperation Project (仙遊建發合作項目)	Putian	24,035.00	19.60%	Residential	170,979.50	91,289.96	1/11/2022
18 Lanzhou Lelan • Shiguangyin (蘭州樂瀾•時光印)	Lanzhou	89,743.26	39.00%	Residential	210,479.69	97,948.33	1/10/2024
19 Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	Fuzhou	123,228.00	100.00%	Residential	390,476.00	94,455.84	1/8/2022
20 Lianyungang Urban Park West District (連雲港海納春江西區)	Lianyungang	50,894.00	100.00%	Residential	126,700.00	92,673.33	1/9/2023

## Summary of Principal Properties

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate GFA (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time
21 West Coast (融信陽光城西海岸(領海三期))	Fuzhou	124,827.28	90.00%	Residential	498,115.32	91,980.27	31/1/2016
22 Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	Huzhou	75,018.00	80.00%	Residential	175,378.11	87,955.77	1/4/2023
23 Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	Suzhou	56,566.40	45.00%	Residential	168,843.60	86,061.47	1/5/2023
24 Fuzhou Heshang Project (福州鶴上項目)	Fuzhou	41,088.00	100.00%	Residential	124,273.93	87,361.06	1/1/2023
25 South Shaoxing Dongguang Lot (紹興城南東光地塊)	Shaoxing	152,834.00	12.18%	Residential	391,175.28	77,483.17	1/3/2023
26 Chongqing Lan Bay (重慶瀾灣)	Chongqing	117,541.00	100.00%	Residential	328,779.49	80,723.30	31/5/2020
27 Tianjin West Coast (天津西海岸)	Tianjin	106,043.80	100.00%	Residential	161,915.76	81,178.38	1/7/2022
28 Changle Lanshan (長樂瀾山)	Fuzhou	125,737.00	34.00%	Residential	317,109.48	66,325.40	1/12/2021
29 Fuyang Yingzhou Project (阜陽穎州項目)	Fuyang	147,590.00	55.00%	Residential	193,622.92	52,728.69	1/12/2022
30 Hangzhou Poly He Guang Chen Yue (杭州保利和光塵樾)	Hangzhou	104,698.00	25.50%	Residential	323,030.28	69,049.94	31/5/2021
31 Lianyungang Urban Park East District (連雲港海納春江東區)	Lianyungang	39,085.00	100.00%	Residential	99,400.00	66,428.12	1/9/2023
32 East Wenzhou Pingyang New District B009, 11 Lot (溫州平陽城東新區B009·11地塊)	Wenzhou	42,663.00	100.00%	Residential	128,980.97	62,018.39	1/7/2023
33 Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	Hangzhou	24,072.00	20.86%	Commercial	112,587.20	60,437.24	1/2/2024
34 Suzhou Science City Project (蘇州科技城項目)	Suzhou	57,164.00	23.26%	Residential	161,400.00	62,658.90	1/12/2023
35 Jiangmen Mansion (江門學院府)	Jiangmen	46,153.55	50.00%	Residential	185,910.00	65,422.42	1/4/2022
36 Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	Nanjing	82,627.65	44.90%	Residential	279,215.80	59,039.33	31/3/2020
37 Pingtan Lanchen (平潭瀾宸)	Fuzhou	66,431.00	100.00%	Residential	184,990.73	55,635.70	1/8/2021
38 Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	Qingdao	76,170.00	15.00%	Residential	298,700.00	53,889.19	1/2/2023
39 Fuzhou Vanke Zhen Lu Yuan (福州萬科臻麓園)	Fuzhou	113,570.00	17.00%	Residential	352,805.22	53,242.09	30/6/2022
40 Wenzhou Rongwang (溫州榮望)	Wenzhou	57,018.20	26.00%	Residential	203,717.00	48,976.02	1/12/2022
41 Show Kingdom (世歐王莊)	Fuzhou	250,708.50	50.00%	Residential	1,610,218.54	44,164.41	1/1/2016

## Summary of Principal Properties

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate GFA (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time	
42	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	Mianyang	69,709.00	50.00%	Residential	233,479.51	41,193.74	1/9/2023
43	Fuzhou China Legend (福州海月江潮), Fuzhou Twin Harbour City (福州雙杭城)	Fuzhou	259,519.00	100.00%	Residential	1,102,802.59	40,052.67	31/12/2020
44	Wenzhou Xinlian Village Plot (溫州新聯村地塊)	Wenzhou	43,630.00	28.00%	Residential	156,072.00	39,067.91	1/1/2023
45	Chongqing Haiyue Pinghu (重慶海月平湖)	Chongqing	37,791.00	100.00%	Residential	93,570.74	38,356.96	1/3/2021
46	Fuzhou Yongtai Project (福州永泰項目)	Fuzhou	45,253.00	20.00%	Residential	124,035.60	44,674.59	1/1/2023
47	Fuzhou Nice Villa (福州有墅)	Fuzhou	161,008.40	25.50%	Residential	221,000.00	42,531.87	30/6/2020
48	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	Wenzhou	24,251.70	34.00%	Residential	101,043.13	33,703.46	1/1/2022
49	Xuzhou Xinyi Project (徐州新沂項目)	Xuzhou	61,481.00	100.00%	Residential	148,623.86	25,392.37	1/10/2023
50	Changtai Luxi County (長泰鷺西郡)	Zhangzhou	24,000.00	100.00%	Residential	81,453.33	32,210.69	1/8/2022
51	Shanghai Zhongxing Road (上海中興路)	Shanghai	31,034.10	50.00%	Residential	165,376.74	31,704.66	31/12/2021
52	Shanghai Parallel Impression (上海海納印象)	Shanghai	52,929.90	100.00%	Residential	179,485.00	31,528.30	1/5/2023
53	Shanghai Xihong Bridge No. 1 (上海西虹橋壹號)	Shanghai	36,279.00	30.50%	Residential	146,096.00	30,624.79	31/12/2019
54	Jiangmen Guoyue House (江門國樾府)	Jiangmen	30,230.62	33.00%	Residential	102,240.51	22,210.06	1/11/2022
55	Tianjin Jinnan (天津津南府)	Tianjin	68,970.00	100.00%	Residential	128,000.00	29,773.35	1/11/2022
56	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	Shanghai	24,377.60	34.00%	Residential	119,700.00	25,565.48	1/1/2024
57	Wenzhou Jinlin House (溫州金麟府)	Wenzhou	44,518.00	34.00%	Residential	116,896.22	29,627.54	1/6/2021
58	Zhoushan Chuang Shi Ji (舟山創世紀)	Zhoushan	71,491.40	34.00%	Residential	198,841.89	25,206.31	30/8/2021
59	Shanghai Meiluo Residential Community (上海市寶山區美羅家園大型居住社區)	Shanghai	41,076.70	30.00%	Residential	119,700.00	26,950.39	1/11/2023
60	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	Putian	27,083.61	40.00%	Residential	125,081.61	11,895.63	1/11/2022
61	Linquan Junyue Mansion (臨泉君樾府)	Fuyang	72,055.00	32.73%	Residential	193,896.36	25,498.13	1/12/2022
62	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	Hangzhou	53,082.00	100.00%	Residential	187,462.43	24,422.11	1/3/2024
63	Suzhou Huangqiao Project (蘇州黃橋項目)	Suzhou	60,292.00	40.00%	Residential	180,710.00	15,151.69	1/10/2023
64	Shanghai Century One Mile (上海世紀古美)	Shanghai	37,509.00	51.00%	Residential	246,187.88	21,669.37	1/10/2022
65	Fuzhou CBD 49 Lot (福州CBD49地塊)	Fuzhou	38,232.00	39.00%	Residential	117,774.53	22,975.16	1/1/2022
66	Suzhou Wuzhong Linhu County Lot (蘇州吳中臨湖鎮地塊)	Suzhou	118,623.10	26.00%	Residential	213,599.00	20,540.28	1/11/2021
67	Hangzhou Zhanwang (杭州展望)	Hangzhou	53,163.00	51.00%	Residential	197,101.91	20,452.13	1/12/2022

## Summary of Principal Properties

Project	Location	Total site area (sq.m.)	Interest attributable to the Group	Type of major property product	Estimated aggregate GFA (sq.m.)	Saleable GFA remaining unsold (sq.m.)	Completion time/estimated completion time
68	Nantong Chongchuan Times Yuechengnan Lot (南通崇川時代悅城南地塊)	62,887.00	50.00%	Residential	186,672.90	19,941.32	1/12/2022
69	Baolong Lin'an Project (寶龍臨安項目)	37,328.00	49.00%	Residential	153,626.54	18,896.80	1/6/2021
70	Putian Ronshine Yuezhu (莆田融信悅著)	31,539.00	40.00%	Residential	71,421.00	18,696.65	1/1/2023
71	Imperial Land (一品江山(海融一號作品))	94,291.42	50.00%	Residential	316,346.36	17,701.39	19/7/2018
72	Jiaying Country Garden Chongde (嘉興碧桂園崇德府)	62,774.55	23.80%	Residential	195,843.58	17,452.54	1/7/2020
73	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	57,103.00	31.02%	Residential	196,169.46	17,344.31	1/3/2022
74	Nantong Lan Chen (南通瀾宸)	86,194.00	100.00%	Residential	163,574.78	17,104.97	1/4/2022
75	Shanghai Bowan (上海鮑灣)	121,376.80	51.00%	Residential	202,326.40	16,582.69	22/7/2016
76	Hangzhou Aoshi Mansion (杭州傲世邸)	21,750.00	100.00%	Residential	93,152.02	15,271.89	1/10/2023
77	Shanghai Yangpu Pingliang Lot (上海楊浦平涼地塊)	16,112.30	40.40%	Commercial	66,151.86	14,588.13	1/9/2020
78	Quzhou Zhongqiang Shiguangli (衢州中梁拾光里)	43,329.00	45.00%	Residential	103,709.58	14,117.26	1/1/2022
79	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	19,497.00	100.00%	Residential	57,801.30	13,800.96	1/9/2021
80	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	51,255.00	12.50%	Residential	165,609.00	13,427.74	1/11/2022
81	Tianjin Lanyue 4 (天津瀾悅4號)	27,184.00	50.00%	Residential	71,610.68	12,600.51	1/2/2023
82	Zhangzhou Harbor B6 Lot (漳州港B6(學院名築)半山雲頂)	71,217.99	100.00%	Residential	221,033.24	12,500.48	29/6/2018
83	Hangzhou Jin Di Yue Hong Wan (杭州金地悅虹灣)	106,872.00	25.81%	Residential	421,547.49	12,230.60	30/12/2020
84	Changshu Project (常熟項目)	37,132.00	60.00%	Residential	97,367.29	12,048.39	1/5/2023
85	Tan Zi Kou (灘子口)	13,938.00	34.00%	Residential	38,427.20	12,041.42	1/2/2021
86	Changle Shangjiang Town (長樂上江城)	185,196.00	100.00%	Residential	690,792.60	11,837.88	30/6/2020
87	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	66,696.00	14.99%	Residential	178,527.26	11,644.46	1/3/2023
88	Shanghai Four Seasons (上海海月四季)	32,741.90	45.00%	Residential	165,024.08	11,486.18	1/12/2022
89	Nanjing Century East (南京世紀東方)	106,002.49	100.00%	Residential	335,078.73	10,933.34	30/5/2021
90-206		6,597,988.86			21,141,776.00	234,296.27	
<b>Total</b>		14,465,142.93			48,950,410.59	8,761,362.48	
<b>Attributable total</b>		8,516,095.25			29,009,020.28	5,801,791.98	

# MANAGEMENT DISCUSSION AND ANALYSIS

## SUMMARY OF OPERATING RESULTS

	For the year ended 31 December		
	2025	2024	Change in percentage
<b>Contracted sales</b>			
Contracted sales amount (RMB'000) <sup>(1)</sup>	3,777,444.22	7,702,479	(50.96)%
Contracted gross floor area (sq.m.)	334,842.90	617,264	(45.75)%
Average unit price of contracted sales (RMB/sq.m.)	11,281.24	12,478	(9.59)%
<b>Property delivered</b>			
Revenue from delivery of properties (RMB'000)	6,691,469	29,322,249	(77.18)%
Delivered gross floor area (sq.m.)	421,745	1,334,918	(68.41)%
Recognised average selling price of properties delivered (RMB/sq.m.)	15,866	21,966	(27.77)%
<b>Revenue (RMB'000)</b>			
Revenue (RMB'000)	7,107,576	29,781,887	(76.13)%
Cost of Sales (RMB'000)	11,825,569	29,447,513	(59.84)%
Gross profit/(loss) (RMB'000)	(4,717,993)	334,374	(1,410.99)%
Other income and other loss – net (RMB'000)	(540,148)	(2,353,158)	(77.05)%
Loss before income tax (RMB'000)	(11,919,910)	(9,765,955)	22.06%
Loss for the year (RMB'000)	(12,483,022)	(11,558,039)	8.00%
— attributable to owners of the Company (RMB'000)	(9,958,491)	(12,002,306)	(17.03)%
— attributable to non-controlling interests (RMB'000)	(2,524,531)	444,267	(668.25)%
— attributable to holders of Perpetual Capital (RMB'000)	—	—	—
Gross profit/(loss) margin <sup>(2)</sup>	(66.38)%	1.12%	(6,026.79)%
Net loss margin <sup>(3)</sup>	(175.63)%	(38.81)%	352.55%
Total assets (RMB'000)	81,176,961	99,586,003	(18.49)%
Total liabilities (RMB'000)	87,922,110	92,711,695	(5.17)%
Total equity (RMB'000)	(6,745,149)	6,874,308	(198.21)%
Capital and reserves attributable to owners of the Company (RMB'000)	(21,712,263)	(11,753,772)	84.73%
Current ratio <sup>(4)</sup>	0.76 times	0.96 times	(21.03)%
Gearing ratio <sup>(5)</sup>	(5.19)	5.11	(201.52)%

## Management Discussion and Analysis

*Notes:*

- (1) The amounts include the contracted sales from subsidiaries, associates and joint ventures of the Company.
- (2) The calculation of gross loss margin is based on gross loss divided by revenue and multiplied by 100%; and the calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (3) The calculation of net loss margin is based on net loss divided by revenue and multiplied by 100%.
- (4) The calculation of current ratio is based on current assets divided by current liabilities.
- (5) The calculation of gearing ratio is based on total borrowings less cash and bank balances and divided by total equity.

## Management Discussion and Analysis

### PROPERTY DEVELOPMENT

#### Contracted Sales

For the year ended 31 December 2025, the Group achieved contracted sales of approximately RMB3,777.44 million, representing a decrease of approximately 50.96% compared with approximately RMB7,702.48 million for the year ended 31 December 2024. Such decrease was mainly attributable to the continuous downturn of the property market.

The amount of the Group's contracted sales in Hangzhou, Chengdu, Fuzhou, Suzhou, Nanjing, Nantong, Qingdao, Fuyang and Taiyuan accounted for (i) approximately 74.42% of the Group's total contracted sales for the year ended 31 December 2025, and (ii) approximately 65.65% of the Group's total GFA of contracted sales for the year ended 31 December 2025. The following table sets forth details of the contracted sales of the Group for the year ended 31 December 2025:

	Amount (RMB million)	Percentage (%)	Total GFA (sq.m.)	Percentage (%)	Average selling price (RMB/sq.m.)
Hangzhou	652.46	17.27	54,297.63	16.22	12,016.31
Chengdu	430.07	11.39	12,186.17	3.64	35,291.48
Fuzhou	417.31	11.05	23,267.59	6.95	17,935.10
Suzhou	278.68	7.38	22,938.56	6.85	12,148.97
Nanjing	265.49	7.03	37,191.32	11.11	7,138.47
Nantong	219.20	5.80	32,680.80	9.76	6,707.42
Qingdao	213.00	5.64	13,485.70	4.03	15,794.54
Fuyang	178.79	4.73	11,136.70	3.33	16,054.31
Taiyuan	156.14	4.13	12,629.64	3.77	12,362.85
Others	966.31	25.58	115,028.79	34.35	8,400.58
<b>Total</b>	<b>3,777.44</b>	<b>100.00</b>	<b>334,842.90</b>	<b>100.00</b>	<b>11,281.24</b>

#### Projects completed

For the year ended 31 December 2025, the Group and its joint ventures and associates had completed a total of 167 projects or phases of projects, with a total GFA of 34,296,057.22 sq.m. (including 19,577,483.22 sq.m. by taking into account the interests of the owners of the Company in the relevant projects).

## Management Discussion and Analysis

### Projects under construction

As at 31 December 2025, the Group and its associates and joint ventures had a total of 37 projects or phases of projects under construction, with a total planned GFA of 4,071,816.15 sq.m. (including 2,425,015.95 sq.m. by taking into account the interests of the owners of the Company in the relevant projects).

### Land reserve

During the year ended 31 December 2025, the Group did not acquire any land parcels.

As at 31 December 2025, the total GFA of the Group's land reserve was approximately 16.31 million sq.m. among which, approximately 7.62 million sq.m. were completed properties held for sale, approximately 7.63 million sq.m. were under construction, and approximately 1.06 million sq.m. were held for future development.

As at 31 December 2025, the average cost per sq.m. of the Group's land reserve increased from RMB8,643 for the year ended 31 December 2024 to RMB8,750 for the year ended 31 December 2025. The Directors believe that the relatively high-quality land reserve provides effective support for the Group's sales and cash flow.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 31 December 2025:

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Zhengzhou	Zhengzhou Jiangwancheng-Supai (鄭州江灣城—蘇派)	225	95.11	470
Zhengzhou	Zhengzhou Jiangwancheng-Delan (鄭州江灣城—德藍)	230	90.74	520
Zhengzhou	Zhengzhou City of Times (鄭州時光之城)	798	74.15	3,167
Zhengzhou	Zhengzhou Olympic Century (鄭州奧體世紀)	212	57.19	2,264
Taiyuan	Taiyuan City of Times (太原時光之城)	295	36.80	1,355
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	3,554	29.44	13,521
Zhengzhou	Zhengzhou Jiangwancheng -Zhongqiao (鄭州江灣城—中喬)	144	27.26	722
Hangzhou	Hangzhou Xianghu Yuezhang (杭州湘湖悅章)	3,180	24.57	17,134
Fuzhou	Fuzhou Ronghui Hot Spring City (福州融匯溫泉城)	471	20.93	1,610
Zhengzhou	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	140	15.19	912
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	372	12.44	3,360
Tianjin	Tianjin West Coast (天津西海岸)	1,049	12.21	8,238

## Management Discussion and Analysis

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Huzhou	Anji Yuejiang (安吉悦江府)	236	10.73	2,986
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	256	10.45	2,932
Huzhou	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	612	10.02	6,475
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	597	9.27	6,518
Jiangmen	Jiangmen Mansion (江門學院府)	332	9.07	4,800
Nantong	Nantong Chongchuan Times Yuechengnan Lot (南通崇川時代悅城南地塊)	937	8.14	14,197
Putian	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	138	8.11	3,903
Chengdu	Chengdu Qingbaijiang Project (成都青白江項目)	116	8.01	2,048
Chongqing	Chongqing Lan Bay (重慶瀾灣)	349	7.87	6,189
Hangzhou	Hangzhou Century (杭州世紀)	1,748	7.65	30,816
Fuzhou	Fuzhou Heshang Project (福州鶴上項目)	340	7.41	5,121
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	623	7.37	8,856
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	1,768	7.23	23,558
Wenzhou	East Wenzhou Pingyang New District B009, 11 Lot (溫州平陽城東新區B009、11地塊)	414	7.01	7,607
Qingdao	The Ocean Coastal (青島海月星灣)	189	6.81	3,504
Nantong	Nantong Chongchuan Yuanlin Road Plot (南通崇川園林路地塊)	667	6.67	13,340
Suzhou	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	941	6.38	16,811
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	992	6.24	19,474
Hangzhou	Balong Lin'an Project (寶龍臨安項目)	280	6.17	6,128
Fuzhou	Pingtian Lan Chen (平潭瀾宸)	316	6.03	5,549
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	784	5.83	14,784
Fuzhou	Fuzhou Difeng River Project (福州帝封江項目)	368	5.82	7,932
Suzhou	Changshu Project (常熟項目)	275	5.74	6,662
Zhoushan	Zhoushan Chuang Shi Ji (舟山創世紀)	306	5.61	4,324
Fuzhou	Changle Lanshan (長樂瀾山)	253	5.48	5,005

## Management Discussion and Analysis

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Weinan	Weinan Wenquetai (渭南文闕台)	78	5.44	2,393
Baoding	Baoding Jinyue City (保定金悅城)	131	5.09	3,979
Hangzhou	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	255	4.88	5,546
Lanzhou	Lanzhou Lelan • Shiguangyin (蘭州樂瀾 • 時光印)	43	4.74	709
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	301	4.73	7,653
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	378	4.65	7,397
Lanzhou	Lanzhou Park Academy (蘭州公園學府)	39	4.37	897
Fuzhou	Fuzhou CBD 49 Lot (福州CBD49地塊)	482	4.12	14,497
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	665	3.96	16,088
Chongqing	Chongqing Haiyue Pinghu (重慶海月平湖)	259	3.84	11,149
Ningbo	Ningbo Country Garden Siji Longyue (寧波碧桂園四季隴玥華府)	186	3.83	5,599
Shanghai	Shanghai Parallel Impression (上海海納印象)	1,120	3.77	38,763
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	110	3.68	3,578
Suzhou	Kunshan Yulan Residence (昆山玉蘭公館)	365	3.60	13,576
Nanjing	Nanjing Bo'an Center (南京鉑岸中心)	102	3.60	2,515
Tianjin	Tianjin Jinnan (天津津南府)	450	3.57	12,959
Hangzhou	Hangzhou Vanke Zhong Cheng Hui (杭州萬科中城匯)	642	3.56	24,704
Jinhua	Tianyang River Mansion (天陽雲棲江境)	275	3.45	10,562
Hangzhou	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	1,016	3.36	40,542
Suzhou	Kunshan Bacheng Lot (昆山巴城地塊)	168	3.34	5,582
Shanghai	Shanghai Baoshan Luodian Project (上海寶山羅店項目)	551	3.33	22,340
Putian	Xianyou Jianfa Cooperation Project (仙遊建發合作項目)	42	3.33	2,784
Zhangzhou	Changtai Luxi County (長泰鷺西郡)	33	3.23	1,127
Suzhou	Suzhou Science City Project (蘇州科技城項目)	416	3.03	15,647
Jiangmen	Jiangmen Guoyue House (江門國樾府)	146	2.98	5,847

## Management Discussion and Analysis

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Qingdao	Qingdao Manshan Lanting (青島縵山蘭亭)	75	2.98	2,386
Fuzhou	Fuzhou Vanke Zhen Lu Yuan (福州萬科臻麓園)	198	2.95	7,340
Fuyang	Xingfu Li • East County (幸福里 • 東郡)	51	2.93	2,235
Nanjing	Nanjing Vanke Du Hui Tian Di (南京萬科都荟天地)	351	2.92	12,130
Nanjing	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	309	2.90	12,842
Tianjin	Tianjin Lanyue 4 (天津瀾悅4號)	300	2.89	11,742
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	97	2.70	4,796
Quzhou	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲龍庭)	149	2.61	8,281
Zhenjiang	Jurong Tianyuefu (句容天悅府)	94	2.58	4,837
Jiaxing	Haining Lanting (海寧瀾庭)	137	2.55	7,200
Hangzhou	Hangzhou Poly He Guang Chen Yue (杭州保利和光塵樾)	273	2.48	16,005
Shanghai	Shanghai Zhongxing Road (上海中興路)	2,147	2.46	100,091
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	830	2.44	27,253
Hangzhou	Hangzhou Qinlan (杭州沁瀾)	340	2.42	21,211
Fuzhou	Fuzhou Yongtai Project (福州永泰項目)	55	2.32	2,811
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	160	2.26	12,278
Shaoxing	South Shaoxing Dongguang Lot (紹興城南東光地塊)	467	2.21	12,263
Fuyang	Fuyang Yingzhou Project (阜陽潁州項目)	60	2.21	2,961
Lishui	Lishui Tianyang Country GardenCity Innovation (麗水天陽碧桂園都會之光)	202	1.99	13,169
Xi'an	Chang'an Xiyue (長安熙悅)	8	1.97	446
Haining	Haining Lanting Qihang (海寧瀾庭啟杭)	62	1.90	3,939
Hangzhou	Yue Zhen Mansion (樾臻府)	62	1.78	4,375
Hangzhou	Hangzhou Liwang NEO1 (杭州厘望NEO1)	408	1.69	31,551
Chengdu	Chengdu Jinniu 16 mu (成都金牛16畝)	183	1.65	14,200
Chengdu	Chengdu Ruilian (成都瑞聯)	185	1.55	14,300
Shanghai	Shanghai Yangpu Pingliang Lot (上海楊浦平涼地塊)	413	1.46	25,397
Hangzhou	Hangzhou Zhanwang (杭州展望)	272	1.38	25,116
Guangzhou	Guangzhou Tianyue (廣州天樾府)	341	1.38	14,999

## Management Discussion and Analysis

Region	Project Name	Total land value (RMB million)	Total GFA of reserve (10,000 sq.m.)	Average cost per sq.m. (RMB/sq.m.)
Chongqing	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	94	1.36	9,600
Hangzhou	Yunhe Commercial 43 Lot (運河商業43號地塊)	145	1.30	14,075
Wenzhou	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	111	1.24	13,004
Hangzhou	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	94	1.17	5,101
Fuyang	Linqun Junyue Mansion (臨泉君樾府)	22	1.02	2,592
Shanghai	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	496	1.01	72,000
Fuzhou	Fuzhou Nice Villa (福州有墅)	7	0.99	486
Chengdu	Chengdu Lan Sky (成都瀾天)	31	0.96	4,200
Jinhua	Jinhua Yuejiang (金華悅江府)	60	0.93	8,467
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	146	0.93	18,699
Nanjing	Nanjing CIFI Shi Dai Tian Yue (南京旭輝時代天樾)	170	0.83	9,464
Shanghai	Shanghai Four Seasons (上海海月四季)	133	0.80	22,578
Fuzhou	Fuzhou Park Left Bank (福州公園左岸)	143	0.79	21,731
Hangzhou	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	148	0.79	25,962
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	29	0.74	5,383
Shanghai	Shanghai Platinum (上海鉑爵)	80	0.72	15,409
Changzhou	Changzhou Lanyue (常州瀾悅)	55	0.71	9,313
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	242	0.67	44,364
Wenzhou	Wenzhou Rongwang (溫州榮望)	34	0.60	7,203
Suzhou	Suzhou Wuzhong Linhu County Lot (蘇州吳中臨湖鎮地塊)	37	0.58	6,843
Chongqing	Tan Zi Kou (灘子口)	29	0.43	9,255
Fuzhou	Fuzhou Country Garden Yuelinglong (福州碧桂園悅玲瓏)	22	0.23	7,687
		43,318	861	8,750

## Management Discussion and Analysis

### FINANCIAL REVIEW

#### Revenue

The Group's revenue decreased by approximately 76.13% from approximately RMB29,781.89 million for the year ended 31 December 2024 to approximately RMB7,107.58 million for the year ended 31 December 2025. The Group derived its revenue primarily from (i) the sales of properties in the People's Republic of China ("PRC"); (ii) certain construction services with local PRC governments with respect to the construction of resettlement housing; and (iii) the rental income generated from the leasing of investment properties, hotel operations and others.

The following table sets forth details of the Group's revenue recognised from such sources for the periods indicated:

	For the year ended 31 December		
	2025 RMB'000	2024 RMB'000	Change in percentage
<b>Revenue</b>			
Sales of properties	<b>6,691,469</b>	29,322,249	(77.18)%
Construction services	—	—	—
Rental income, hotel operations and others	<b>416,107</b>	459,638	(9.47)%
<b>Total</b>	<b>7,107,576</b>	29,781,887	(76.13)%

The revenue of the Group decreased by approximately 76.13% from approximately RMB29,781.89 million for the year ended 31 December 2024 to approximately RMB7,107.58 million for the year ended 31 December 2025. The decrease in the Group's revenue was mainly attributable to:

- (i) the decrease in the recognised GFA of properties delivered by the Group by approximately 68.41% from 1,334,918 sq.m. for the year ended 31 December 2024 to 421,745 sq.m. for the year ended 31 December 2025;
- (ii) the decrease in rental income generated from investment properties from approximately RMB205.62 million for the year ended 31 December 2024 to approximately RMB186.96 million for the year ended 31 December 2025. The others comprise mainly of revenue in hotel operations and consulting services; and
- (iii) compared with approximately RMB146.17 million for the year ended 31 December 2024, revenue from hotel operations of the Group was approximately RMB130.38 million for the year ended 31 December 2025.

## Management Discussion and Analysis

Revenue generated from the sales of properties amounted to approximately RMB6,691.47 million for the year ended 31 December 2025. The following table sets forth details of revenue generated from the sales of properties of the Group by geographical location for the year ended 31 December 2025:

For the year ended 31 December						
	2025			2024		
	Revenue <i>RMB million</i>	GFA delivered by the Group <i>sq.m.</i>	Average selling price <i>RMB/sq.m.</i>	Revenue <i>RMB million</i>	GFA delivered by the Group <i>sq.m.</i>	Average selling price <i>RMB/sq.m.</i>
Shanghai	2,131	23,707	89,871	15,195	208,064	73,031
Hangzhou	1,588	41,996	37,815	3,588	133,272	26,919
Zhengzhou	760	63,736	11,926	69	12,559	5,529
Qingdao	508	47,086	10,797	—	—	—
Shanxi	355	51,110	6,943	1,686	239,121	7,050
Others	1,349	194,110	6,952	8,784	741,901	11,840
<b>Total</b>	<b>6,691</b>	<b>421,745</b>	<b>15,866</b>	29,322	1,334,918	21,966

### Cost of sales

The Group's cost of sales mainly refers to the costs incurred directly from its property development activities, including cost of construction, land use rights, interest capitalised and tax surcharge. The Group's cost of sales decreased by approximately 59.84% from approximately RMB29,447.51 million for the year ended 31 December 2024 to approximately RMB11,825.57 million for the year ended 31 December 2025.

### Gross loss/profit and gross loss/profit margin

Gross loss/profit represents revenue less cost of sales. The Group recorded gross profit of approximately RMB334.37 million for the year ended 31 December 2024 and gross loss of approximately RMB4,717.99 million for the year ended 31 December 2025.

The Group recorded a gross profit margin of approximately 1.12% for the year ended 31 December 2024 and a gross loss margin of approximately 66.38% for the year ended 31 December 2025, which was primarily because the Group delivered different portfolios of properties and the provision for impairment of inventories increased significantly in 2025 as compared with 2024.

## Management Discussion and Analysis

### Selling and marketing costs

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) advertisement expenses; (iii) property management service fees; and (iv) other costs including rental expenses and office expenses.

The Group's selling and marketing costs decreased by approximately 41.7% from approximately RMB307.78 million for the year ended 31 December 2024 to approximately RMB179.44 million for the year ended 31 December 2025, primarily due to the decrease in advertisement expenses and property management service fees.

### Administrative expenses

The Group's administrative expenses include (i) staff costs for administrative personnel; (ii) consulting fees; (iii) office and travel expenses; (iv) entertainment expenses; (v) other taxes; (vi) office lease expenses; and (vii) others.

The Group's administrative expenses decreased by approximately 10.95% from approximately RMB606.88 million for the year ended 31 December 2024 to approximately RMB540.42 million for the year ended 31 December 2025, mainly attributable to the decrease in staff costs and consulting fees.

### Net impairment losses on financial assets

The Group recorded net impairment losses on financial assets of approximately RMB3,585.8 million for the year ended 31 December 2025.

The following table sets forth a breakdown of the net impairment losses on financial assets for the years indicated:

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net impairment losses on financial assets		
— Trade receivables	8,703	1,150
— Other receivables	3,577,053	3,807,795

The provision of impairment loss on trade receivables for the year ended 31 December 2025 amounting to approximately RMB8.7 million was mainly due to the deterioration in aging of trade receivable balances. Such trade receivables were mainly arising from sales of properties.

The provision of impairment loss on other receivables for the year ended 31 December 2025 amounting to approximately RMB3,577.1 million was partially due to the deregistration or bankruptcy of certain counterparties, and also the deterioration in aging of the other receivable balances.

## Management Discussion and Analysis

The Group engaged an independent valuer to determine the impairment loss on financial assets under the expected credit loss (“**ECL**”) model based on the probability of default model.

Further details on the ECL rate, basis and assumptions are set out in note 3(b) to the consolidated financial statements of the Group in this annual report.

### Fair value losses on investment properties

The Group recorded fair value losses of approximately RMB532.50 million for the year ended 31 December 2024 and fair value losses of approximately RMB148.66 million for the year ended 31 December 2025. The decrease was due to the decline in market price of the Group’s investment properties.

### Other income

The Group’s other income primarily includes (i) interest income; and (ii) deposits forfeited from some of the Group’s prospective customers who breached the property purchase agreements. The Group’s other income increased by approximately 62% from approximately RMB51.43 million for the year ended 31 December 2024 to approximately RMB83.21 million for the year ended 31 December 2025.

### Other losses, net

The Group’s other losses, net primarily include (i) loss from financial assets at fair value through profit or loss; (ii) losses/gains from the redemption of bonds; and (iii) loss from disposal of subsidiaries and an associate. The Group recorded other losses, net of approximately RMB2,404.59 million for the year ended 31 December 2024 and other losses, net of approximately RMB623.36 million for the year ended 31 December 2025. The decrease in other losses was primarily due to the lower disposal loss on disposal of certain projects by the Group.

### Operating loss

The Group recorded operating loss of approximately RMB7,274.90 million for the year ended 31 December 2024 as compared to operating loss of approximately RMB9,712.41 million for the year ended 31 December 2025. The increase in operating loss was primarily due to (i) the decrease in revenue recognised from sales of properties as a result of the decline in property delivery; (ii) the increase in loss of impairment provision for properties under development and completed properties held for sale; and (iii) the increase in loss of impairment provision for trade and other receivables.

## Management Discussion and Analysis

### Finance costs – net

Finance income primarily consists of foreign exchange gain and interest income from bank deposits. Finance cost primarily consists of interest expenses of borrowings and net foreign exchange losses. The Group recorded net finance costs of approximately RMB2,637.62 million for the year ended 31 December 2024 and net finance cost of approximately RMB2,252.66 million for the year ended 31 December 2025. The decrease in finance costs was primarily due to the decrease in interest expenses of borrowings of approximately RMB119.42 million and the decrease in interest income from bank deposits of approximately RMB25.60 million.

### Loss before income tax

As a result of the aforementioned changes of the Group's financials, the loss before income tax of approximately RMB9,765.96 million for the year ended 31 December 2024 increased to approximately RMB11,919.91 million for the year ended 31 December 2025.

### Income tax expense

The Group's income tax expense comprises provisions made for corporate income tax ("CIT") (including deferred income tax) and land appreciation tax ("LAT") in the PRC.

The Group recorded income tax expenses of approximately RMB1,792.08 million for the year ended 31 December 2024 and approximately RMB563.11 million for the year ended 31 December 2025. Specifically, the Group recorded CIT (including deferred income tax) expenses of approximately RMB1,663.99 million for the year ended 31 December 2024 as compared with CIT (including deferred income tax) expenses of approximately RMB397.11 million for the year ended 31 December 2025, while the Group's LAT expenses increased by approximately 30% from approximately RMB128.09 million for the year ended 31 December 2024 to approximately RMB166.00 million for the year ended 31 December 2025.

### Loss for the year attributable to owners of the Company

As a result of the foregoing factors, the loss for the year attributable to owners of the Company of approximately RMB12,002.31 million for the year ended 31 December 2024 decreased to approximately RMB9,958.49 million for the year ended 31 December 2025.

### Loss/Profit for the year attributable to non-controlling interests

The loss for the year attributable to non-controlling interests was approximately RMB2,524.53 million for the year ended 31 December 2025, as compared to the profit for the year attributable to non-controlling interests of approximately RMB444.27 million for the year ended 31 December 2024. Such turnaround was primarily attributable to the recognition of loss from sales of properties during the year ended 31 December 2025 in the respective projects, which were jointly developed with non-controlling parties.

## Management Discussion and Analysis

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's net current liabilities amounted to approximately RMB20,196.76 million (31 December 2024: net current liabilities of approximately RMB3,644.43 million). Specifically, the Group's total current assets decreased by approximately 21.92% from approximately RMB79,777.62 million as at 31 December 2024 to approximately RMB62,293.81 million as at 31 December 2025. The Group's total current liabilities decreased by approximately 1.12% from approximately RMB83,422.05 million as at 31 December 2024 to approximately RMB82,490.57 million as at 31 December 2025. The decrease in the Group's total current assets was primarily attributable to the decrease in completed properties held for sale by approximately 34.68% from approximately RMB20,078.31 million as at 31 December 2024 to approximately RMB13,114.60 million as at 31 December 2025.

As at 31 December 2025, the Group had cash and bank balances of approximately RMB2,591.78 million (31 December 2024: approximately RMB3,402.27 million), total borrowings of approximately RMB37,594.05 million (31 December 2024: approximately RMB38,540.14 million) and a weighted average effective interest rate for outstanding borrowings of approximately 6.11% (including bank borrowings, trust and other borrowings, domestic corporate bonds, senior notes and asset-backed securities) (31 December 2024: approximately 6.70%).

As at 31 December 2025, the aggregated issued amount of the domestic corporate bonds was approximately RMB8,488.20 million, representing approximately 22.57% of the total borrowings of the Group.

The 6.75% senior notes due 2024 (the "**August 2024 Notes**") (ISIN: XS2211514885 and Common Code: 221151488) in the aggregate principal amount of US\$107,655,000 issued by the Company and listed on SGX-ST matured on 5 August 2024. As at 31 December 2025, the principal amount and the accrued and unpaid interest totalling US\$144,213,000 were due and payable.

The 7.1% senior notes due 2025 (the "**January 2025 Notes**") (ISIN: XS2290308845 and Common Code: 229030884) in the aggregate principal amount of US\$205,200,000 issued by the Company and listed on SGX-ST matured on 25 January 2025. As at 31 December 2025, the principal amount and the accrued and unpaid interest totalling US\$247,574,000 were due and payable.

As at the date of this annual report, the Company has not made the above payments and has not received any notice regarding accelerated repayment from the relevant trustee or holders of the August 2024 Notes and January 2025 Notes, respectively.

Since the second half of 2021, the business environment of China's real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry's business environment, which has brought enormous pressure on the Group's operations. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from its properties and/or have the cash from external financing to meet its loan repayment obligations.

## Management Discussion and Analysis

Although the Company has endeavoured to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group's operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 1(c) to the consolidated financial statements of the Group in this annual report. The Group will closely monitor its liquidity position and issue further announcement regarding the progress of any capital structure solutions or significant business updates.

### PLEDGE OF ASSETS

As at 31 December 2025, the Group's borrowings were secured by the Group's assets of approximately RMB24,468.44 million (31 December 2024: approximately RMB33,775.15 million), which included (i) completed properties held for sale; (ii) properties under development; (iii) property, plant and equipment; (iv) land use rights; (v) restricted cash; and (vi) investment property. Certain borrowings from financial institutions were also secured by the equity interests of certain subsidiaries.

### CONTINGENT LIABILITIES

The Group's contingent liabilities primarily include guarantees that the Group has provided to PRC banks in respect of the mortgage loans granted by the banks to purchasers of the Group's properties. The purchaser mortgage guarantees are typically released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the properties are delivered to the purchasers. The borrowing guarantees represent the maximum exposure of the guarantees provided for the borrowings of related parties and an independent third party at the respective balance sheet dates. The total outstanding guarantee amounts provided by the Group amounted to approximately RMB11,987.24 million as at 31 December 2025 (31 December 2024: approximately RMB20,058.79 million).

The Directors believe that, in case of a default by the Group's purchasers on their mortgage payments, the net realisable value of the relevant properties will be sufficient to repay the outstanding mortgage loans, together with any accrued interest and penalty. Therefore, the Group did not make any provision in connection with these guarantees. The Group also provides various quality warranties to purchasers of its properties, with a term ranging from one to five years, in accordance with the relevant PRC laws and regulations. Such warranties are covered by back-to-back warranties provided to the Group by the respective construction contractors. In addition, the Group has, from time to time, also been a party to lawsuits and other legal proceedings in the normal course of business.

### Current ratio

As at 31 December 2025, the current ratio of the Group was 0.76 times (31 December 2024: 0.96 times). The decrease in the Group's current ratio was mainly attributable to the decrease in completed properties held for sale included in current assets.

## Management Discussion and Analysis

### Gearing ratio

As at 31 December 2025, the gearing ratio of the Group was -5.19 (31 December 2024: 5.11), mainly due to the decrease in total equity. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents, restricted cash and term deposits.

### FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group will continue to focus on its existing property development business and acquiring high-quality land parcels in the first-tier cities in the PRC. However, in light of the current market sentiments, the Group will maintain a prudent approach in acquiring land parcels in the PRC. No concrete plan for future investments is in place for the Group as at the date of this annual report.

### FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. As at 31 December 2025, the Group's financial assets and liabilities denominated in currencies other than Renminbi were mainly borrowings denominated in United States dollars and Hong Kong dollars, in the total amount of approximately RMB14,495 million. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pays to the Shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

### SIGNIFICANT INVESTMENT HELD

For the year ended 31 December 2025, the Group did not hold any significant investments.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

### EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group employed a total of 383 full-time employees (31 December 2024: 538 full-time employees). For the year ended 31 December 2025, the staff cost recognised by the Group amounted to approximately RMB102.04 million (31 December 2024: approximately RMB139.66 million).

The remuneration policy of the Group is to provide the employees with remuneration packages including salary, bonuses and various allowances, so as to attract and retain top quality staff. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary rises, bonuses and promotions. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

## Management Discussion and Analysis

Furthermore, the Group has implemented systematic and specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiative and responsibility. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the year ended 31 December 2025, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

### **PURCHASE, SALE AND REDEMPTION OF SECURITIES OF THE COMPANY**

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares).

As at 31 December 2025, the Group did not hold any treasury shares.

### **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

As at the date of this annual report, the Group did not have any significant event subsequent to 31 December 2025.

# DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Mr. Ou Zonghong**, aged 56, is the founder of the Group. Mr. Ou has been a Director since 11 September 2014, the chairman of the Board since 1 December 2014 and was re-designated as the executive Director and appointed as the chief executive officer of the Company on 15 December 2014. Mr. Ou is currently a member of the remuneration committee of the Company (the “**Remuneration Committee**”). Mr. Ou is primarily responsible for the overall development strategy and daily operation of the Group. He has more than 20 years of experience in the property development and construction industries. Mr. Ou established Putian Transport Engineering Company Limited\* (莆田市交通工程有限公司) on 1 August 1995, which engaged in construction of motorways. On 20 April 2000, Mr. Ou started his engagement with the property related business and established Putian Transport and Real Estate Development Company Limited\* (莆田市交通房地產開發有限公司). On 23 September 2003, Mr. Ou established Rongxin (Fujian) Investment Company Limited\* (融信(福建)投資集團有限公司). Mr. Ou has been a director of Renmin University of China\* (中國人民大學) since 18 October 2011. Mr. Ou has also been the managing vice president of the Federation of Fujian Enterprise and Entrepreneur\* (福建省企業與企業家聯合會) since April 2012, respectively.

Mr. Ou has also assumed various positions in the subsidiaries of the Company, including a director of Rongda Company Limited since 11 September 2014, a director of Rongtai Company Limited (融泰有限公司) since 26 September 2014, a director of Rongxin (Fujian) Investment Company Limited\* (融信(福建)投資集團有限公司) since 23 September 2003, a director of Rongxin (Zhangzhou) Property Company Limited\* (融信(漳州)房地產有限公司) from 7 January 2011 to 1 February 2013, a director of Shanghai Ronglai Business Management Consulting Ltd.\* (上海融隸企業管理諮詢有限公司) since 28 October 2014, and acted as an executive director of Ronshine Service Holding Co., Ltd, a company previously listed on the Main Board of the Stock Exchange (stock code: 2207) and subsequently privatised on 18 March 2025, from 14 April 2020 to 12 September 2023.

Mr. Ou was awarded a member of the fourteenth and fifteenth sessions of the Excellent Entrepreneurs of Fujian in December 2011 and June 2014, respectively. He also received the Silver Award of the Ten Young Entrepreneurs of Fujian in April 2008.

**Ms. Yu Lijuan**, aged 44, has been an executive Director since 22 March 2019. Ms. Yu possesses extensive experience in real estate development and management and has over 15 years of experience in the real estate industry. Ms. Yu first joined the Group in September 2007, she has since served in various positions within the Group, including serving as the marketing director of the Group, the deputy general manager of the East China region of the Company, the general manager of the Hangzhou region of the Company, vice president of the Group and the president of division 1 and division 3 of the Group. Ms. Yu is currently the president of the Group. Ms. Yu graduated from Fuzhou University (福州大學) in Fujian Province, China with a bachelor’s degree in administrative management in July 2004. In November 2018, Ms. Yu was also awarded the title of “Top Ten Outstanding Professional Managers of Zhejiang Province for 2018” (2018年度浙江省十大傑出職業經理人).

## Directors and Senior Management

**Ms. Zeng Feiyan**, aged 50, has been an executive Director since 27 July 2015. She currently serves as the senior vice president of the Company and a member of the nomination committee of the Company (the “**Nomination Committee**”). She joined the Group in August 2013. Ms Zeng was the joint company secretary of the Company from 15 December 2014 to 20 February 2019. Before joining the Group, Ms. Zeng Feiyan has more than 10 years of finance related experiences in various entities. Ms. Zeng Feiyan had served as the manager of the operation and financial management centre and the vice director of the supervisory committee in Hopson Development Holdings Limited (a property development company listed on the Main Board of the Stock Exchange, stock code: 754) from May 2003 to October 2007. She was the vice general manager responsible for finance and investment management of Guangdong Pearl River Investment Management Group Company Limited\* (廣東珠江投資管理集團有限公司) (a company principally engaged in the investment in energy and infrastructure projects) from October 2007 to September 2011, and the vice president and secretary of the board of directors of Cnhomeland Environmental Co., Ltd.\* (浩藍環保股份有限公司) (an environmental-protection company engaged in the provision of environmental solutions services) from September 2011 to August 2013.

Ms. Zeng Feiyan has been a certified public accountant authorised by the Institute of Certified Public Accountants of Guangdong Province since 7 January 2003. She has also been a senior economist as credentialed by the Senior Professional Titles Evaluation Committee of Dezhou Private Economic Organisations since 26 September 2013 and a Registered Tax Agents authorised by the Certified Tax Agents Association of Guangdong Province since 13 December 2011. Ms. Zeng Feiyan graduated from Changsha Communication College\* (長沙交通學院) (now known as Changsha University of Science and Technology)\* (長沙理工大學) in Changsha, Hunan province in June 1998 where she obtained a bachelor’s degree in accounting. Ms. Zeng Feiyan has also obtained the executive master of business administration from the Guanghua School of Management of Peking University\* (北京大學光華管理學院) in July 2016.

**Mr. Wu Jianxing**, aged 34, has been an executive Director since 15 August 2022. Mr. Wu graduated from the North China Electric Power University (華北電力大學) in July 2011 with a bachelor’s degree in telecommunications engineering. Mr. Wu first joined the Group in August 2011, and has since served in various positions within the Group, including serving as the general manager of the Group’s investment & development centre, general manager of the president office and assistant president. Mr. Wu is currently the assistant to the chairman of the Board.

## Directors and Senior Management

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Ren Yunan**, aged 50, has been an independent non-executive Director since 13 January 2016. He is currently the chairman of the Remuneration Committee and a member of the audit committee of the Company (the “**Audit Committee**”). He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Ren obtained a bachelor’s degree in law from Peking University\* (北京大學) in July 1997 and a master’s degree in law from Harvard Law School in the United States in June 1999. Mr. Ren was admitted to practice law in the State of New York in March 2000 and in Hong Kong in March 2003. Mr. Ren currently focuses on technology investment. Mr. Ren Yunan has served as the chairman, an executive director and the chief executive officer of OKG Technology Holdings Limited, a company listed on the Stock Exchange (stock code: 1499) since July 2018. In addition, Mr. Ren has served as an independent non-executive director of Mininglamp Technology, a company listed on the Stock Exchange (stock code: 2718) since November 2025.

**Mr. Ruan Weifeng**, aged 49, has been an independent non-executive Director since 22 March 2019. He is currently the chairman of the Nomination Committee and a member of the Audit Committee. Mr. Ruan is a practising full-time lawyer in the PRC for 20 years. He graduated from the Faculty of Law of the Northwest University of Political Science and Law (西北政法大學) (formerly known as Northwest College of Political Science and Law) in July 1999, and obtained a bachelor’s degree in law upon finishing its full-time legal undergraduate program. Mr. Ruan was admitted as a lawyer in the PRC in 1999. From June 2000 to September 2001, he served as a full-time lawyer of Fujian Mentors Law Firm\* (福建名仕律師事務所), where he was mainly responsible for handling non-performing asset businesses for financial institutions and asset management companies. From October 2001 to April 2006, he served as a full-time lawyer in Fujian Huiyang Law Firm\* (福建輝揚律師事務所). He also successively served as a legal advisor to a number of banks, enterprises and institutions, and had handled nearly 100 civil and commercial cases. From April 2006 to July 2012, he served as a partner of the Fuzhou branch of Beijing Horizon Lawyers\* (北京市地平線律師事務所福州分所), where he was primarily responsible for the business development and management of the non-litigation department. Since August 2012, he has established Fujian Gong Lue Law Firm\* (福建攻略律師事務所), where he held the position of partner and director. Fujian Gong Lue Law Firm\* is mainly engaged in advising on corporate legal matters, non-contentious legal practice areas such as finance, insurance, investment, mergers and acquisitions, global wealth planning (civil trust) matters, as well as handling other complex litigation and arbitration cases.

## Directors and Senior Management

**Mr. Feng Dongcheng**, aged 40, has been an independent non-executive Director since 7 March 2025. He is currently the chairman of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Feng is a certified public accountant in the People's Republic of China. He graduated from Shaanxi University of Science and Technology (陝西科技大學) in 2011 with a bachelor's degree in accounting. From July 2011 to February 2013, he worked at Youda Photoelectric (Suzhou) Co., Ltd. (友達光電(蘇州)有限公司), primarily responsible for internal audit. From November 2014 to July 2019, Mr. Feng served as an audit project manager at Ernst & Young (安永華明會計師事務所), where he participated in multiple IPO projects for A-share and Hong Kong-listed companies. Since July 2019, Mr. Feng has been holding the position of senior director of finance (財務高級專業總監) of the finance management centre (財務管理中心) of Powerlong Real Estate Holdings Limited, a company the shares of which are listed on the Stock Exchange (stock code: 1238), where he is primarily responsible for accounting and financial reporting, financial analysis, and preparation of financial statements of the company.

### SENIOR MANAGEMENT

**Mr. Yu Zuoyi**, aged 52, obtained a bachelor's degree in accounting from Hainan University\* (海南大學) (formerly known as South China University of Tropical Agriculture\* (華南熱帶農業大學)) in the People's Republic of China. From August 1995 to March 2011, Mr. Yu worked as a company accountant, finance manager, audit manager, finance director and securities manager within Tahoe Group Co., Ltd.\* (泰禾集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 00732), during which he was mainly responsible for financial management, financial and auditing related matters, internal system construction, asset and debt restructuring, mergers and acquisitions, internal standardization and administration, disclosure of information, and other matters related to listing. Since April 2011, Mr. Yu has been serving variously as the Company's finance supervisor, senior manager and senior director and is mainly responsible for other matters related to listing, such as financial management and disclosure of information. Mr. Yu was appointed as the chief financial officer of the Company on 31 August 2023.

The senior management of the Group include the four executive Directors as disclosed above.

Save as otherwise disclosed in this annual report, there is no relationship (including financial, business, family or other material or relevant relationship) between the Directors and senior management of the Company, and no information relating to the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

# REPORT OF DIRECTORS

The Directors are pleased in presenting this annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 11 September 2014 as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands (the “**Cayman Companies Act**”). The shares of the Company (the “**Shares**”) were listed on the Main Board of the Stock Exchange on 13 January 2016 (the “**Listing Date**”).

### Principal Activities

The Company is an investment holding company, that along with its subsidiaries, joint ventures and associated companies, operates as a property developer in the PRC primarily engaged in the development of mid-to high-end residential properties and commercial properties in cities in the Western Coast of the Straits, Yangtze River Delta and selected first and second-tier cities in the PRC.

Details of the principal activities of the principal subsidiaries of the Group are set out in note 11a to the consolidated financial statements of the Group in this annual report. There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2025. As at the date of this annual report, the Board has no intention to significantly change the principal business of the Group.

## RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income of the Group in this annual report. The Group’s business review and future business development are set out in the section headed “Chairman’s Statement” in this annual report. An analysis of the Group’s performance using financial key performance indicators and important events affecting the Company that have occurred since the end of the financial year are set out in the section headed “Management Discussion and Analysis” in this annual report.

A five year financial summary of the Group for the years ended 31 December 2021, 2022, 2023, 2024 and 2025 have been set out on page 220 in this annual report.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in note 15 to the consolidated financial statements of the Group in this annual report.

## Report Of Directors

### BORROWINGS

Details of the borrowings of the Group as at 31 December 2025 are set out in note 26 to the consolidated financial statements of the Group in this annual report.

### RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity in this annual report. As at 31 December 2025, the Company had no distributable reserve.

### ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “**AGM**”) will be convened and held on Friday, 5 June 2026, a notice of which will be published on the websites of the Company and the Stock Exchange, and despatched to the Shareholders (if requested) in due course.

### FINAL DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2025 (31 December 2024: nil).

As at 31 December 2025, there was no arrangement under which a Shareholder has waived or agreed to waive any dividends.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders’ eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of share documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 1 June 2026. Shareholders whose names appear on the register of members of the Company on Friday, 5 June 2026, which is the record date, shall be entitled to attend and vote at the AGM.

## Report Of Directors

### MAJOR CUSTOMERS AND SUPPLIERS

#### Major Customers

The Group primarily targets customers from middle to upper-middle income households who are looking to either purchase their first homes or upgrade their living environment. For the year ended 31 December 2025, the five largest customers of the Group accounted for approximately 1.13% of the revenue of the Group, and the single largest customer of the Group accounted for approximately 0.29% of the revenue of the Group during the same period.

All of the five largest customers of the Group (except local governments as counter-parties to the Group's construction contracts) for the year ended 31 December 2025 are individual purchasers of the Group's properties, and all of them are independent third parties. To the best of the knowledge of the Directors, none of the Directors, their respective close associates (as defined in the Listing Rules) or any Shareholder who owns more than 5% of the issued share capital of the Company had any interest in any of the five largest customers of the Group during the year ended 31 December 2025.

#### Major Suppliers

For the year ended 31 December 2025, the five largest suppliers of the Group, primarily comprising construction companies which are the Group's contractors and each an independent third party, accounted for approximately 38.96% of the total purchases of the Group, and the single largest supplier of the Group accounted for approximately 13.46% of the Group's total costs of sales during the same period.

To the best of the knowledge of the Directors, none of the Directors, their respective close associates (as defined in the Listing Rules) or any Shareholder who owns more than 5% of the issued share capital of the Company had any interest in any of the five largest suppliers of the Group during the year ended 31 December 2025.

### RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that the employees, customers and suppliers are the keys to corporate sustainability and is keen on developing long-term relationships with its stakeholders.

The Company places significant emphasis on human capital and strives to foster an environment in which employees can develop their full potential and to assist their personal and professional growth. The Company provides a fair and safe workplace, promoting diversity to our staff, providing competitive remuneration and benefits and career development opportunities based on their merits and performance.

The Group also puts on-going efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

## Report Of Directors

The Company understands that it is important to maintain good relationship with customers. The Group has established procedures in place for handling customers' complaints and customer satisfaction surveys in order to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers as long-term business partners to ensure stable supplies of materials and timely delivery of power plants under construction. The Group reinforces business partnerships with suppliers and contractors by recurring communication in proactive and effective manner so as to ensure quality and delivery.

## SHARE CAPITAL

As at 31 December 2025, the Company had 1,683,431,417 Shares in issue.

Details of the movements in the share capital of the Company are set out in note 24 to the consolidated financial statements of the Group in this annual report.

## ISSUANCE OF DEBENTURES AND SENIOR NOTES

The Company did not issue any debentures or senior notes during the Year.

## DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this annual report are:

### Executive Directors

Mr. Ou Zonghong (*Chairman and Chief Executive Officer*)

Ms. Yu Lijuan

Ms. Zeng Feiyan

Mr. Wu Jianxing

### Non-executive Director

Mr. Li Shupeí (resigned on 31 March 2026)

### Independent Non-executive Directors

Mr. Ren Yunan

Mr. Ruan Weifeng

Mr. Feng Dongcheng (appointed on 7 March 2025)

## Report Of Directors

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" in this annual report.

In accordance with Article 84(1) of the current articles of association of the Company (the "**Articles of Association**"), one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at the annual general meeting at least once every three years.

Accordingly, Ms. Yu Lijuan, Ms. Zeng Feiyan and Mr. Ruan Weifeng shall retire by rotation as Directors at the AGM according to Article 84(1) of the Articles of Association, and being eligible, have offered themselves for re-election as Directors at the AGM.

### **Directors' Service Contracts**

None of the Directors has any unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than normal statutory compensation. For further details, please refer to the section headed "Corporate Governance Report – Directors' Service Contracts and Letters of Appointment" of this report.

## **DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS**

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 December 2025 are set out in note 8 to the consolidated financial statements of the Group in this annual report.

None of the Directors waived his/her emoluments nor has agreed to waive his/her emoluments for the year ended 31 December 2025.

## Report Of Directors

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Group is principally engaged in property development in the PRC. Mr. Ou Zonghong, an executive Director, the chief executive officer of the Company and the chairman of the Board, owns equity interest in certain other companies which are engaging in the businesses of hotel operation and property management (collectively, the “**Non-Group Business**”), details of which are set out below.

#### (i) Hotel Operation

Hemei (Zhangzhou) Hotel Investment Company Limited (和美(漳州)酒店投資有限公司) is a member of the Fujian Dingcheng Investment Company Limited (福建鼎誠投資有限公司), which owns and operates Zhangzhou Rongxin Crowne Plaza Holiday Hotel (漳州融信皇冠假日酒店) (“**Zhangzhou Rongxin Hotel**”). Zhangzhou Rongxin Hotel is a high-end hotel in Zhangzhou, Fujian province and was opened in August 2014. For further details, please refer to the section headed “Relationship with Controlling Shareholders — No Competition and Clear Delineation of Business” on pages 260 to 263 of the Prospectus.

#### (ii) Pre-delivery Property Management

Rongxin Shiou Property Service Group Limited (融信世歐物業服務集團有限公司), formerly known as Fujian Shiou Property Management Company Limited (福建世歐物業管理有限公司) and Fujian Rongxin Shiou Property Management Group Limited (福建融信世歐物業管理集團有限公司) (“**Rongxin Shiou Property**”) is engaged in the provision of pre-delivery property management services and it has been providing pre-delivery property management services to certain of the Group’s property projects. For further details, please refer to the announcement and circular of the Company dated 23 November 2022 and 20 January 2023 respectively, and the paragraph headed “Continuing Connected Transactions — 2. Master Ronshine Property Management and Related Services Agreement” in this section of this annual report.

Rongxin Shiou Property was beneficially owned as to 100% by Mr. Ou in 2016 and thereafter had been beneficially owned as to 90% by Mr. Ou since 2017, including 54% interests indirectly held by Mr. Ou and 36% interests held by an independent third party on trust for and on behalf of Mr. Ou. In 2020, subsequent to a series of equity transfers and reorganisation, Rongxin Shiou Property became an indirect wholly-owned subsidiary of Ronshine Service Holding Co., Ltd (“**Ronshine Service**”), which was, in turn, held as to 80% by Rongxin Yipin Co., Ltd (“**Rongxin Yipin**”) and 20% by Fumei International Co., Ltd (“**Fumei International**”). In 2021, Ronshine Service became listed on the Main Board of the Stock Exchange (Stock Code: 2207) and as at 31 December 2024, Ronshine Service was held as to approximately 59.04% by Rongxin Yipin and approximately 14.76% by Fumei International. Each of Rongxin Yipin and Fumei International was wholly owned by Rongan Juxiang Co., Ltd (“**Rongan Juxiang**”), the special purpose holding vehicle of the family trust established on 18 August 2020 by Mr. Ou as the settlor and protector, with HSBC International Trustee Limited as the trustee (i.e. the Ou Family Trust). In March 2025, Ronshine Service was privatised by Mr. Ou through Rongxin Yipin and Fumei International by way of a scheme of arrangement and the shares of Ronshine Service were delisted from the Stock Exchange. Accordingly, Rongxin Shiou Property is an associate of Mr. Ou and a connected person of the Company under Chapter 14A of the Listing Rules.

## Report Of Directors

### (iii) Property Management

Rongxin (Fujian) Property Management Company Limited (融信(福建)物業管理有限公司) (“**Rongxin Fujian Property Management**”) is beneficially owned as to 100% by Mr. Ou by virtue of his indirect interests through Rongxin Yipin and Fumei International in Ronshine Service which holds 100% interest indirectly in Rongxin Shiou Property, which, in turn, holds 100% interest in Rongxin Fujian Property Management. Rongxin Fujian Property Management is engaged in the provision of property management services and it has been providing property management services to certain of the Group’s property projects during the year ended 31 December 2024 and will continue to do so afterwards. For further details, please refer to the section headed “Relationship with Controlling Shareholders — No Competition and Clear Delineation of Business” on pages 260 to 263 of the Prospectus, the announcement and circular of the Company dated 3 November 2020 and 20 January 2023, and the paragraph headed “Continuing Connected Transactions — 2. Master Ronshine Property Management and Related Services Agreement” in this “Report of Directors”. Rongxin Fujian Property Management is an associate of Mr. Ou and a connected person of the Company under Chapter 14A of the Listing Rules.

The Non-Group Business do not compete directly or indirectly with the business of the Group given that, among others, (i) there is geographical delineation between Zhangzhou Rongxin Hotel and the hotels of the Group; and (ii) the Group is not engaged in the provision of property management services. As the continuing connected transactions regarding the procurement of property management services by the Group from Ronshine Service and its subsidiaries (including Rongxin Shiou Property and Rongxin Fujian Property Management) are conducted in the ordinary and usual course of business and on normal commercial terms which are fair and reasonable to the Company and its shareholders as a whole, the Company takes the view that the Group is able to carry on its business independently of, and at arm’s length from, the Non-Group Business.

Save as disclosed above, as at 31 December 2025, apart from the business of the Group, none of the Directors was engaged or had interest in any business, which competes or is likely to compete, either directly or indirectly, with the Group’s business, which would require disclosure under Rule 8.10 of the Listing Rules.

## COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS

### Deed of Non-Competition

The Company’s controlling shareholders, namely, Mr. Ou Zonghong, Mr. Ou Guofei, Honest Global Holdings Limited and Dingxin Company Limited (together, the “**Covenantors**”) entered into a deed of non-competition on 22 December 2015 (the “**Deed of Non-Competition**”) in favour of the Company, pursuant to which each of the Covenantors has, among other things, irrevocably and unconditionally undertaken, jointly and severally, with the Company that, save for the businesses carried on by them as already disclosed in the Prospectus, the Covenantors shall not, and shall procure that their close associates (other than members of the Group) shall not, directly or indirectly, carry on, engage in, invest in, participate in, attempt to participate in, render any services to, provide any financial support to or otherwise be involved in or interested in, whether alone or jointly with another person and whether directly or indirectly or on behalf of or to assist or act in concert with any other person, any business or investment activities in the PRC and Hong Kong which is the same as, similar to or in competition with the business carried on or contemplated to be carried on by any member of the Group from time to time (the “**Restricted Business**”).

## Report Of Directors

The Deed of Non-Competition shall expire on the earlier of (i) the date when the Covenantors and, as the case may be, any of their close associates, cease to hold, or otherwise be interested in, beneficially in aggregate whether directly or indirectly, 30% or more (or such other percentage of shareholding as stipulated in the Listing Rules to constitute a controlling shareholder) of the issued share capital of the Company; or (ii) the date on which the Shares cease to be listed on the Stock Exchange (except for temporary suspension of trading of the Shares).

For details of the Deed of Non-Completion, please refer to the section headed “Relationship with Controlling Shareholders — Non-Competition Undertakings” in the Prospectus.

### Annual Review

The Covenantors and their close associates did not refer any investment or commercial opportunities relating to the Restricted Business to the Group during the year ended 31 December 2025.

The Company has received a written confirmation from each of the Covenantors in respect of the compliance by them and their close associates with the undertakings under the Deed of Non-Competition during the year ended 31 December 2025.

The independent non-executive Directors have reviewed and assessed the compliance of the Deed of Non-Competition by the Covenantors and their close associates during the year ended 31 December 2025, and confirmed that each of the Covenantors has complied with his/its undertakings under the Deed of Non-Competition during the year ended 31 December 2025.

## CONTINUING CONNECTED TRANSACTIONS

Set forth below are the details of the continuing connected transactions of the Group during the year ended 31 December 2025, which were subject to the reporting and annual review requirements under Chapter 14A of the Listing Rules:

### 1. Landscape Engineering Services Framework Agreement

On 10 January 2020, the Company, as service recipient, entered into a landscape engineering services framework agreement (the “**2020 Landscape Engineering Services Framework Agreement**”) with Xiujing (Fujian) Landscape Engineering Company Limited\* (秀景(福建)園林工程有限公司) (“**Xiujing Landscape**”), as a service provider, pursuant to which Xiujing Landscape has agreed to provide, among other services, (i) landscape engineering design; (ii) landscape construction; and (iii) sale and nursery of horticultural plants (collectively, the “**Landscape Engineering Services**”) to the property projects of the Group in the PRC, including but not limited to those in Fuzhou, Xiamen, Zhangzhou, Shanghai, Hangzhou and Chengdu, for a term commencing from the date of the 2020 Landscape Engineering Services Framework Agreement and ended on 31 December 2022 (both days inclusive).

As the 2020 Landscape Engineering Services Framework Agreement would expire on 31 December 2022 and since it was anticipated that the Group would continue to procure the Landscape Engineering Services from Xiujing Landscape, the Company entered into an agreement (the “**2023 Landscape Engineering Services Framework Agreement**”) with Xiujing Landscape on 23 November 2022 to renew the 2020 Landscape Engineering Services Framework Agreement for a term of three years commencing from 1 January 2023 to 31 December 2025 (both days inclusive).

## Report Of Directors

Pursuant to the 2023 Landscape Engineering Services Framework Agreement, the annual cap amounts for the Landscape Engineering Services for each of the three years ended 31 December 2025 were RMB150,000,000, RMB30,000,000 and RMB30,000,000, respectively. The actual transaction amount under the 2023 Landscape Engineering Services Framework Agreement for the year ended 31 December 2025 was RMB16,939,000.

Mr. Ou Guopeng, is the controlling shareholder of Xiujing Landscape and is the son of Mr. Ou Zonghong, a controlling Shareholder, an executive Director, the chief executive officer and the chairman of the Company, therefore Xiujing Landscape is an associate of Mr. Ou Zonghong and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the 2020 Landscape Engineering Services Framework Agreement and the 2023 Landscape Engineering Services Framework Agreement by the Company with Xiujing Landscape and the transactions contemplated thereunder constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

For further details of the 2023 Landscape Engineering Services Framework Agreement, please refer to the announcements of the Company dated 23 November 2022 and 23 February 2023 and the circular of the Company dated 20 January 2023.

## 2. Master Ronshine Property Management and Related Services Agreement

The Company and Ronshine Service entered into an agreement on 3 November 2020 (the **“2020 Master Ronshine Property Management and Related Services Agreement”**), pursuant to which Ronshine Service and its subsidiaries (including Rongxin Shiou Property) will provide property management and related services to the properties owned or used by the Group in the PRC, including but not limited to (i) preliminary planning and design consultancy services and pre-delivery services which primarily include cleaning and inspection, (ii) property sales offices and display units management services which primarily include security, cleaning and customer reception services, (iii) property management services for the properties (including unsold units and car parking spaces) owned or used by the Group, (iv) value-added services which primarily include house and facility repair and maintenance, marketing promotion, property agency services, and (v) commercial operational services (the **“Property Management and Related Services”**). The 2020 Master Ronshine Property Management and Related Services Agreement has a fixed term commencing from 3 November 2020 to 31 December 2022 (both days inclusive).

As the 2020 Master Ronshine Property Management and Related Services Agreement would expire on 31 December 2022 and since it was anticipated that the Group would continue to procure the Property Management and Related Services from Ronshine Service and its subsidiaries, the Company entered into an agreement (the **“2023 Master Ronshine Property Management and Related Services Agreement”**) with Ronshine Service on 23 November 2022 to renew the 2020 Master Ronshine Property Management and Related Services Agreement for a term of three years commencing from 1 January 2023 to 31 December 2025 (both days inclusive).

## Report Of Directors

Mr. Ou Zonghong is the controlling shareholder of Ronshine Service. In addition, Mr. Ou Zonghong is the controlling Shareholder and executive Director of the Company. Ronshine Service is therefore an associate of Mr. Ou Zonghong and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the 2020 Master Ronshine Property Management and Related Services Agreement and the 2023 Master Ronshine Property Management and Related Services Agreement by the Company with Ronshine Service and the transactions contemplated thereunder constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement, the annual cap amounts for the Property Management and Related Services for each of the three years ended 31 December 2025 were RMB150,000,000, RMB150,000,000 and RMB150,000,000, respectively. The actual transaction amount under the 2025 Master Ronshine Property Management and Related Services Agreement for the year ended 31 December 2025 was RMB37,555,000.

For further details of the 2023 Master Ronshine Property Management and Related Services Agreement, please refer to the announcements of the Company dated 23 November 2022 and 23 February 2023 and the circular of the Company dated 20 January 2023.

### Annual review

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions and have confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

KTC Partners CPA Limited (“**KTC Partners**”), the Company’s independent auditor, was engaged to report on the Group’s continuing connected transactions in accordance with “Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter to the Board containing its findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules, stating that it has not noticed that any of the continuing connected transactions above (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for the continuing connected transactions; (iii) were not entered into, in all material aspects, in accordance with the relevant agreement governing such continuing connected transactions; and (iv) have exceeded the relevant caps for the year ended 31 December 2025.

## Report Of Directors

## RELATED PARTY TRANSACTIONS

A summary of the related party transactions entered into by the Group during the year ended 31 December 2025 is contained in note 35 to the consolidated financial statements of the Group in this annual report. Certain transactions summarised in note 35 to the consolidated financial statements of the Group fall under the definition of “connected transactions” under Chapter 14A of the Listing Rules, the details of which are set out in the section headed “Continuing Connected Transactions” above. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.

## DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save for (i) the transactions as disclosed in note 35 to the consolidated financial statements of the Group in this annual report; and (ii) the transactions as disclosed in the paragraphs headed “Directors’ Interests in Competing Business” and “Continuing Connected Transactions” in this section, no Director or his connected entities or has any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the Group’s business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent companies were a party subsisted at the end of the year or at any time during the year ended 31 December 2025.

Save as disclosed in this annual report, no contracts of significance were entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries during the year ended 31 December 2025 or subsisted at the end of the year and up to the date of this annual report, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries was entered into during the year ended 31 December 2025 or subsisted at the end of the year and up to the date of this annual report.

## PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

Principal risks and uncertainties facing the Group include, among others, that:

- (i) the Group is and will continue to be dependent on the performance of its PRC property sector;
- (ii) the Group may not be able to identify suitable land or acquire land use rights for future development at commercially reasonable costs;
- (iii) the Group has substantial indebtedness and may incur additional indebtedness in the future, and may not be able to generate sufficient cash to satisfy its outstanding and future debt obligations and to fund its capital expenditures;
- (iv) the results of operations of the Group may fluctuate due to factors such as the schedule of the Group’s property development and the timing of property sales;
- (v) the Group may not be able to complete its projects according to schedule;
- (vi) the Group has significant cash outflow from operations and may not be able to timely obtain sufficient financing to fund the Group’s land acquisitions or property developments; and

## Report Of Directors

- (vii) the Group is subject to certain restrictive covenants in and risks associated with bank borrowings and trust and other borrowings which may limit or otherwise materially and adversely affect the Group's business, results of operations and financial condition.

For further details of the principal risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" on pages 35 to 70 in the Prospectus.

## COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations which have a significant impact to the Group.

As at 31 December 2025, the Group complied with, in all material respects, all the relevant and applicable PRC laws and regulations governing the business of property development and management and the Group has obtained all licenses, permits and certificates that are significant for the purpose of operating its business.

As at 31 December 2025, the Company's joint ventures and associates companies were not involved in and the Board is not aware of any non-compliance incidents that might adversely affect the value of the Company's interests in them and might have a significant impact on the Company.

## SHARE OPTION SCHEME

The Company approved and adopted a share option scheme (the "**Share Option Scheme**") on 28 December 2015. The Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

### Details of the Share Option Scheme

#### (1) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors believe the Share Option Scheme will enable the Group to reward its employees, the Directors and other selected participants for their contributions to the Group. It is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

#### (2) Participants

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares (collectively, the "**Eligible Participants**"):

- (i) any Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any members of the Group; and
- (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any members of the Group.

## Report Of Directors

**(3) The maximum number of Shares available for issue**

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represented 135,000,000 Shares. As the Share Option Scheme expired on 27 December 2025, no further options may be granted under the Share Option Scheme.

**(4) The maximum entitlement of each participant**

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

**(5) Time of acceptance and exercise of option**

An option may be accepted by a participant to whom the offer is made within five business days from the date on which the letter containing the offer is delivered to that participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

**(6) Subscription price for Shares and consideration for the option**

The subscription price per Share under the Share Option Scheme would be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share on the date of grant.

A nominal consideration of HK\$1 is payable upon acceptance of the grant of an option.

**(7) The remaining life of the Share Option Scheme**

The Share Option Scheme remained in force for a period of 10 years commencing on the date on which the Share Option Scheme was adopted, i.e. 28 December 2015. The Share Option Scheme expired on 27 December 2025.

For further details of the Share Option Scheme, please refer to the section headed "Statutory and General Information — Other information — Share Option Scheme" in Appendix V to the Prospectus.

## Report Of Directors

As at 31 December 2025, there were no outstanding share options under the Share Option Scheme.

No option was granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2025.

The aggregate number of options available for grant under the Share Option Scheme as at 1 January 2025 and 31 December 2025 is set out below:

	As at 1 January 2025	As at 31 December 2025
Number of options available for grant under the Share Option Scheme	112,260,583	Nil

## SHARE AWARD SCHEME

The Company currently has not adopted any share award scheme.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 31 December 2025.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme", at no time during the year ended 31 December 2025 were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no subsisting arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

## Report Of Directors

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the "Model Code"), are set out below:

### INTERESTS IN SHARES OF THE COMPANY

Name of Director	Nature of Interest/Capacity	Number of Shares or underlying Shares <sup>(Note 1)</sup>	Approximate percentage of shareholding <sup>(Note 1)</sup>
Mr. Ou Zonghong <sup>(Note 2)</sup>	Beneficiary of a trust	1,097,137,411 (L)	65.17%
Ms. Yu Lijuan	Beneficial owner	169,418 (L)	0.01%

Notes:

- (1) As at 31 December 2025, there were 1,683,431,417 Shares in the issued share capital of the Company. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Mr. Ou Zonghong is a beneficiary of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei (the son of Mr. Ou) as the settlor with Mr. Ou being the protector and TMF (Cayman) Ltd. as the trustee. As at 31 December 2025, TMF (Cayman) Ltd. owned all the issued shares in Honesty Global Holdings Limited, which in turn owned all the issued shares in Dingxin Company Limited, which in turn held 1,097,137,411 Shares.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Report Of Directors

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Company, as at 31 December 2025, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares of the Company:

Name of Shareholder	Nature of interest	Number of Shares or underlying Shares <sup>(Note 1)</sup>	Approximate percentage of shareholding <sup>(Note 1)</sup>
Dingxin Company Limited <sup>(Note 2)</sup>	Beneficial owner	1,097,137,411 (L)	65.17%
Honesty Global Holdings Limited <sup>(Note 2)</sup>	Interest in controlled corporation	1,097,137,411 (L)	65.17%
TMF (Cayman) Ltd. <sup>(Note 2)</sup>	Trustee of a trust	1,097,137,411 (L)	65.17%
Mr. Ou Guofei <sup>(Notes 2, 3)</sup>	Founder of a trust	1,097,137,411 (L)	65.17%
Ms. Xu Lixiang <sup>(Note 4)</sup>	Interest of spouse	1,097,137,411 (L)	65.17%

Notes:

- (1) As at 31 December 2025, there were 1,683,431,417 Shares in the issued share capital of the Company. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Dingxin Company Limited is wholly owned by Honesty Global Holdings Limited, which in turn is wholly owned by TMF (Cayman) Ltd., the trustee of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei (as the settlor) with Mr. Ou Zonghong being the protector. Accordingly, each of Honesty Global Holdings Limited, TMF (Cayman) Ltd. and Mr. Ou Guofei is deemed to be interested in the Shares held by Dingxin Company Limited.
- (3) Mr. Ou Guofei is the son of Mr. Ou Zonghong.
- (4) Ms. Xu Lixiang is the spouse of Mr. Ou Zonghong and is therefore deemed under the SFO to be interested in the Shares held by Mr. Ou Zonghong.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

## Report Of Directors

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the law of Cayman Islands being the jurisdiction in which the Company was incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

### CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" in this annual report.

### RETIREMENT BENEFITS SCHEME

The Group strictly complies with the requirements of the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) (the "MPFSO") in making mandatory contributions for employees who are required to participate in the Mandatory Provident Fund (the "MPF Scheme") in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the MPFSO. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the prior year employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no provisions under the above schemes whereby forfeited contributions may be used to reduce future contributions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Environmental Protection

The Group is subject to a number of environmental-related laws and regulations in the PRC including the PRC Environmental Protection Law, the PRC Prevention and Control of Noise Pollution Law, the PRC Environmental Impact Assessment Law and the Administrative Regulations on Environmental Protection for Development Projects. Pursuant to these laws and regulations, the Group has engaged independent third-party environmental consultants to conduct environmental impact assessments at all of the construction projects of the Group, and such environmental impact assessments were submitted to relevant governmental authorities for approval before commencement of development. Upon completion of construction works, the Group is required to be examined by a third party designated by the relevant governmental authorities and are subject to governmental authorities' acceptance. Only property development projects which have passed such examination and acceptance can be delivered. Under the typical construction contracts of the Group, the Group requires its contractors to strictly comply with relevant environmental-related laws and regulations. The Group inspects the construction sites regularly and require its contractors to immediately rectify any default or non-compliance identified.

## Report Of Directors

During the year ended 31 December 2025, the Group incurred RMB2.46 million as cost for compliance with applicable environmental rules and regulations (2024: RMB1.14 million). The Directors expect that the Group will continue to incur compliance costs with respect to applicable environmental rules and regulations at a similar level. As at 31 December 2025, the Group did not encounter any material issues in passing inspections conducted by the relevant environmental authorities upon completion of the property development projects of the Group. During the year ended 31 December 2025, no material fines or penalties were imposed on the Group for non-compliance of PRC environmental laws and regulations. As at 31 December 2025, the Group had obtained all required approvals in relation to the environmental impact reports, where applicable, for the projects of the Group under development.

### Social Responsibility

The Group has entered into employment contracts with its employees in accordance with the applicable PRC laws and regulations.

The Group maintains social welfare insurance for its full-time employees in the PRC, including pension insurance, medical insurance, personal injury insurance, unemployment insurance and maternity insurance, in accordance with the relevant PRC laws and regulations.

### Health and Work Safety

The employee's administrative measures adopted by the Group contain policies and procedures regarding work safety and occupational health issues. The Group provides its employees with annual medical checks and safety training, and the construction sites of the Group are equipped with safety equipment including gloves, boots and hats.

The chairman's office of the Group is responsible for recording and handling work accidents as well as maintaining health and work safety compliance records.

During the year ended 31 December 2025, the Group did not encounter any material safety accident. There were no material claims for personal or property damages, and no material compensation was paid to employees in respect of claims for personal or property damages related to safety accident.

## INDEMNITY AND INSURANCE PROVISIONS

The Articles of Association provides that every Director shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses as a result of any act or failure to act in carrying out his/her functions. The Company has arranged appropriate directors and officers liability insurance in respect of legal action against Directors during the year ended 31 December 2025. A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year.

## Report Of Directors

### EQUITY LINKED AGREEMENTS

Save for the Share Option Scheme as set out in this annual report, no equity-linked agreements were entered into by the Group, or subsisted during the year ended 31 December 2025.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules for the year ended 31 December 2025 and up to the date of this annual report.

### CHARITABLE DONATIONS

During the year ended 31 December 2025, the Group made charitable and other donations in a total amount of RMB3.5 million (2024: RMB2.35 million).

### AUDITOR

References are made to the announcements of the Company dated 21 March 2022, 2 September 2024 and 19 December 2024.

With effect from 18 March 2022, PricewaterhouseCoopers (“**PWC**”) resigned as the auditor of the Company. Elite Partners CPA Limited (“**Elite Partners**”) was appointed by the Board with effect from 21 March 2022 to fill the casual vacancy following the resignation of PwC. Elite Partners was re-appointed as the auditor of the Company by the Shareholders at the annual general meetings of the Company held on 13 June 2023 and 13 June 2024, respectively.

As disclosed in the announcement of the Company dated 2 September 2024, Elite Partners resigned as the auditor of the Company with effect from 2 September 2024. Subsequently, KTC Partners CPA Limited (“**KTC Partners**”) was appointed as the new auditor of the Company to fill the casual vacancy following the resignation of Elite Partners with effect from 19 December 2024. KTC Partners was re-appointed as the auditor of the Company by the Shareholders at the annual general meeting of the Company held on 10 June 2025.

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by KTC Partners, the auditor of the Company, who shall retire and, being eligible, have offered themselves for reappointment at the AGM. A resolution will be proposed at the AGM for the re-appointment of KTC Partners as the auditor of the Company.

Save as disclosed above, there has been no change in the external auditor of the Company in the preceding three years.

## Report Of Directors

### PROFESSIONAL TAX ADVICE RECOMMENDED

The Directors are not aware of tax relief exemption available to the Shareholders by reason of their holding in the Company's listed securities.

If Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult an expert.

For and on behalf of the Board

**Ronshine China Holdings Limited**

**Ou Zonghong**

*Chairman*

Hong Kong, 31 March 2026

# CORPORATE GOVERNANCE REPORT

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Board is pleased in presenting this Corporate Governance Report for the year ended 31 December 2025.

## CORPORATE CULTURE AND VALUES

### “To Make Life More Valuable”

In the development of Chinese urbanisation, Ronshine takes “Becoming a Leading, High-quality Property Developer and Service Provider Offering an Ideal Lifestyle” as its vision, and has been making efforts to improve the living environment and building a happy life. The Company always adheres to its operating philosophy of establishing its status in the industry with integrity and honesty, possessing market share with superior product, fulfilling responsibilities with community engagement and pooling strength with culture. Ronshine continues to practice public welfare, rewards the society and contribute its part for a better China. Being a responsible and accountable enterprise, Ronshine makes contributions to the society, to demonstrate its corporate value.

#### **In terms of its employees**

Ronshine is a platform where you can achieve your self-worth while progressing together with the Group.

#### **In terms of the property owner**

Ronshine proves quality with ingenuity, endeavors to create a beautiful life, and provides property owners with social standing a broader horizon, enhancing the value of their lives.

#### **In terms of the enterprise**

Ronshine is committed to striving for a more beautiful China, assumes social responsibilities, rewards the society with heartfelt contributions, demonstrating its corporate value.

The Board is convinced that a deep-rooted corporate culture that harmonizing with the Group’s objectives, values, and strategies is essential for the Group’s economic success and ongoing expansion. For this purpose, we have implemented a governance structure guided by the Board, aimed at enhancing and fostering our corporate culture throughout the decision-making process across all levels of our business. Through the implementation of this governance structure, it ensures that our values and leadership behaviors are embodied throughout the organisation, and the Board plays a crucial role in enhancing the Group’s productivity and strengthening brand influence and prestige, and generates a positive and enduring value for shareholders. The Board establishes and promotes a corporate culture on the principle of “Work with Passion, Live with Joy”. The Board anticipates that middle and senior management can embody this spirit. To facilitate this, the relevant culture and values permeate the Group’s entire spectrum of governance policies, practices and regulatory measures.

## Corporate Governance Report

### CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions under the Corporate Governance Code during the year ended 31 December 2025, save and except for the deviation from code provision C.2.1 of the Corporate Governance Code as disclosed below.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are both performed by Mr. Ou Zonghong (“**Mr. Ou**”), an executive Director. The Board believes that vesting the roles of both chairman and chief executive officer in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Ou’s extensive industry experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Ou continues to act as the chairman and chief executive officer of the Group, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director and independent non-executive Directors.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the guidelines for Directors’ dealings in the securities of the Company. Following specific enquiries to each of the Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code throughout the year ended 31 December 2025.

### INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with the necessary induction and information to ensure that he/she has a proper understanding of the Company’s operations and businesses as well as his/her responsibilities under relevant statutes, by-laws, laws, rules and regulations. The Company will continue to arrange regular seminars to provide the Directors with updates on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company’s performance, position and prospects to enable the Board as a whole and each Director to discharge his/her duty.

## Corporate Governance Report

For the year ended 31 December 2025, each of the Directors attended training in connection with his/her responsibilities as a Director, and the attendance of each Director is set out in the table below:

Name of Director	Types of training (Note 1)	Subject of training (Note 2)
<b>Executive Directors</b>		
Mr. Ou Zonghong	2	A, B
Ms. Yu Lijuan	2	A, B
Ms. Zeng Feiyan	2	A, B
Mr. Wu Jianxing	2	A, B
<b>Non-executive Director</b>		
Mr. Li Shupeí (resigned on 31 March 2026)	2	A, B
<b>Independent non-executive Directors</b>		
Mr. Ren Yunan	2	A, B
Mr. Ruan Weifeng	2	A, B
Mr. Feng Dongcheng (appointed on 7 March 2025)	2	A, B

Note 1:

1. Attending in-house briefing/training, seminars, conferences or forums
2. Reading newspapers, journals and updates

Note 2:

- A: Businesses related to the Company  
 B: Laws, rules and regulations, accounting standards

Mr. Feng Dongcheng was appointed as an independent non-executive Director with effect from 7 March 2025. Mr. Feng Dongcheng has confirmed that he (i) has obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 6 March 2025; and (ii) understands his obligations as a director of a listed issuer under the Listing Rules.

## THE BOARD

### 1. Responsibilities

The Board assumes the responsibility of leadership and control of the Company, and supervises and approves significant decisions regarding financial performance, strategic development objectives and operations of the Company. The Board delegates to the management authority and responsibility for the Company's daily operations and businesses management according to the Board's instructions. The Board has established various committees and has delegated to the Audit Committee, the Remuneration Committee, and the Nomination Committee of the Board (collectively, the "**Board Committees**") various duties. All the Board Committees perform their distinct roles in accordance with their respective written terms of reference. The Board will review the arrangements with respect to the functions reserved to the Board and those delegated to management from time to time to ensure that they remain appropriate to the Company's needs.

All Directors shall at all times ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders.

## Corporate Governance Report

### 2. Board Composition

The composition of the Board during the year ended 31 December 2025 and up to the date of this annual report are as follows:

<b>Executive Directors</b>	Mr. Ou Zonghong ( <i>Chairman and Chief Executive Officer</i> ) Ms. Yu Lijuan Ms. Zeng Feiyan Mr. Wu Jianxing
<b>Non-executive Director</b>	Mr. Li Shupeí (resigned on 31 March 2026)
<b>Independent non-executive Directors</b>	Mr. Ren Yunan Mr. Ruan Weifeng Mr. Feng Dongcheng (appointed on 7 March 2025)

There is no financial, business, family or other relationship between any members of the Board. The biographies of the current Directors are set out under the section headed "Directors and Senior Management" in this annual report. All the Directors, including the independent non-executive Directors, bring a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As disclosed in the announcement of the Company dated 11 December 2024, following the resignation of Mr. He Jiarong on 11 December 2024, the Company failed to meet the following requirements of the Listing Rules:

- (i) pursuant to Rules 3.10 and 3.10A of the Listing Rules, the Company must appoint at least three independent non-executive Directors ("**INEDS**", each an "**INED**"), one of whom must have appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 3.10(2) of the Listing Rules, and the number of INEDs should represent at least one-third of the Board;
- (ii) pursuant to Rule 3.21 of the Listing Rules, the Audit Committee must be chaired by an INED and must comprise of three members, with at least one of them being an INED with appropriate professional qualifications or accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules;
- (iii) the Remuneration Committee must comprise a majority of INEDs pursuant to Rule 3.25 of the Listing Rules; and
- (iv) the Nomination Committee must comprise a majority of INEDs pursuant to Rule 3.27A of the Listing Rules.

## Corporate Governance Report

Following the appointment of Mr. Feng Dongcheng as an INED, the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee on 7 March 2025, the Company has re-complied with Rules 3.10, 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

Save as disclosed above, as at the date of this annual report, the Company complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing at least one-third of the Board. The Company has received a confirmation of independence from each of the independent non-executive Directors pursuant to the factors set out in Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive Directors are considered to be independent pursuant to the Listing Rules.

### **Directors' Service Contracts and Letters of Appointment**

Mr. Ou Zonghong has entered into a service contract with the Company to act as an executive Director for a term of three years commencing from the Listing Date, i.e. 13 January 2016. Mr. Ou has renewed his service contract with the Company to act as an executive Director for a further term of three years commencing from 13 January 2025, which may be terminated pursuant to the terms of his service contract.

Ms. Yu Lijuan has entered into a service contract with the Company to act as an executive Director for a term of three years commencing from her date of appointment (i.e. 22 March 2019) and may be terminated pursuant to the terms of her service contract. Ms. Yu has renewed her service contract with the Company to act as an executive Director for a further term of three years commencing from 22 March 2025, which may be terminated pursuant to the terms of her service contract.

Ms. Zeng Feiyan has entered into a service contract with the Company to act as an executive Director for a term of three years commencing from her date of appointment (i.e. 18 June 2016), and may be terminated pursuant to the terms of her service contract. Ms. Zeng has renewed her service contract with the Company to act as an executive Director for a term of three years commencing from 5 June 2025, which may be terminated pursuant to the terms of her service contract.

Mr. Wu Jianxing has entered into a service contract with the Company to act as an executive Director for a term of three years commencing from his date of appointment (i.e. 15 August 2022), and may be terminated pursuant to the terms of his service contract. Mr. Wu has renewed his service contract with the Company to act as an executive Director for a term of three years commencing from 15 August 2025, which may be terminated pursuant to the terms of his service contract.

## Corporate Governance Report

Each of the non-executive Directors (including the independent non-executive Directors) has entered into an appointment letter with the Company for a term of three years.

Mr. Ren Yunan has entered into a letter of appointment with the Company to act as an independent non-executive Director for a term of three years commencing from the Listing Date, i.e. 13 January 2016. Mr. Ren has renewed his letter of appointment with the Company for a further term of three years commencing from 1 April 2025, which may be terminated pursuant to the terms of his letter of appointment.

Mr. Ruan Weifeng has entered into a letter of appointment with the Company to act as an independent non-executive Director for a term of three years commencing from his date of appointment (i.e. 22 March 2019). Mr. Ruan has renewed his letter of appointment with the Company to act as an independent non-executive Director for a further term of three years commencing from 22 March 2025, which may be terminated pursuant to the terms of the letter of appointment.

Mr. Feng Dongcheng has entered into a letter of appointment with the Company to act as an independent non-executive Director for a term of three years commencing from his date of appointment (i.e. 7 March 2025), and may be terminated pursuant to the terms of his letter of appointment.

None of the Directors has entered into any service contract or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## Corporate Governance Report

### 3. Independence Mechanisms

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the Nomination Committee is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. Also, all the Directors can seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed the implementation and effectiveness of the above mechanisms and considered that the above mechanisms were effective in ensuring that independent views and input are available to the Board during the year ended 31 December 2025.

### 4. Board Meetings

Code provision C.5.1 of the Corporate Governance Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication.

The Company has adopted the practice of holding Board meetings regularly. Notice of not less than 14 days is given of all regular Board meetings to provide all Directors with the opportunity to attend and include matters in the agenda. For other committee meetings, 14 days' notice is given. The agenda and accompanying board papers are despatched to the Directors or committee members at least three days before meetings to ensure that they have sufficient time to review these documents and be adequately prepared. When Directors or committee members are unable to attend a meeting, they are advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

## Corporate Governance Report

Minutes of the Board meetings and committee meetings are recorded in detail and include the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are sent to the Directors within a reasonable time after the date on which the meeting is held so that they have an opportunity to request amendments. Apart from regular Board meetings, the chairman also held a meeting solely with the non-executive Directors (including independent non-executive Directors) during the year ended 31 December 2025.

The Board convened one general meeting and 5 Board meetings during the year ended 31 December 2025. The table below sets forth the details of the attendance at these meetings:

Name of Director	Number of meetings attended/ held during tenure	
	Board meetings	General meeting
<b>Executive Directors</b>		
Mr. Ou Zonghong	5/5	1/1
Ms. Yu Lijuan	5/5	1/1
Ms. Zeng Feiyan	5/5	1/1
Mr. Wu Jianxing	5/5	1/1
<b>Non-executive Director</b>		
Mr. Li Shupeí (resigned on 31 March 2026)	5/5	1/1
<b>Independent non-executive Directors</b>		
Mr. Ren Yunan	5/5	1/1
Mr. Ruan Weifeng	5/5	1/1
Mr. Feng Dongcheng (appointed on 7 March 2025)	3/3	1/1

## Corporate Governance Report

## BOARD COMMITTEES

The Company has established the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of these committees has specific written terms of reference which deal clearly with their authority and duties. The chairmen of these committees will report their findings and recommendations to the Board after each meeting.

### 1. Audit Committee

The Board has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rongxingroup.com](http://www.rongxingroup.com)).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems and internal audit function of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

During the year, the Company adopted a whistleblowing policy in order to allow its employees to raise concerns, in confidence, with the Audit Committee about possible improprieties related to the Company or to report alleged malpractices or misconduct pertaining to the Company. The Audit Committee of the Group has the overall responsibility of the policy such as monitoring and reviewing the operation of the policy and providing recommendations for action resulting from the investigations.

As at the date of this annual report, the Audit Committee consisted of three members, namely Mr. Feng Dongcheng, Mr. Ren Yunan and Mr. Ruan Weifeng, each of whom is an independent non-executive Director. The chairman of the Audit Committee was Mr. Feng Dongcheng who possessed appropriate professional qualifications.

The Audit Committee convened 4 meetings during the year ended 31 December 2025. The table below sets forth the details of the attendance at these meetings:

Name of committee member	Number of meetings attended/ held during tenure
Mr. Feng Dongcheng ( <i>Chairman</i> ) (appointed on 7 March 2025)	3/3
Mr. Ren Yunan	4/4
Mr. Ruan Weifeng	4/4

## Corporate Governance Report

At the above meetings, members of the Audit Committee have reviewed the audited annual results of the Group for the year ended 31 December 2024 and the unaudited interim results of the Group for the six months ended 30 June 2025. The Audit Committee have also reviewed the significant issues on the financial reporting and compliance procedures, internal control and risk management systems and internal audit function of the Group, connected transactions of the Company, and have discussed with the auditor of the Company about the tasks they performed.

The Audit Committee has reviewed, and has agreed with the auditor of the Company on the annual results of the Group for the year ended 31 December 2025.

The Audit Committee has reviewed the remuneration of the auditor for the year ended 31 December 2025 and has recommended the Board to re-appoint KTC Partners as the auditor of the Company for the year ending 31 December 2026, subject to approval by the Shareholders at the AGM.

The works performed by the Audit Committee during the year ended 31 December 2025 included, among others, the following:

- reviewed the interim and annual consolidated financial statements of the Group;
- reviewed the cash flow projections and monitored the Group's overall financial condition;
- reviewed the appropriateness and effectiveness of the risk management and internal control systems of the Group and made recommendations to the Board on the improvement of the risk management and internal control systems of the Group;
- reviewed the appropriateness and effectiveness of the internal audit function of the Group and made recommendations to the Board on the improvement of the internal audit function of the Group;
- reviewed the adoption of the relevant accounting principles generally accepted and made recommendations to the Board on the adoption of accounting policies; and
- met with the external auditor in the absence of executive Directors and senior management to discuss matters in relation to the audit.

## Corporate Governance Report

### 2. Remuneration Committee

The Board has established the Remuneration Committee with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Remuneration Committee has been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rongxingroup.com](http://www.rongxingroup.com)).

The primary duties of the Remuneration Committee are to establish, review and make recommendations to the Board on the Group's policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, to make recommendation to the Board on the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

As at the date of this annual report, the Remuneration Committee consisted of three members, namely Mr. Ou Zonghong, an executive Director, and Mr. Ren Yunan and Mr. Feng Dongcheng, both being independent non-executive Directors. The chairman of the Remuneration Committee is Mr. Ren Yunan.

The Remuneration Committee convened two meeting during the year ended 31 December 2025. The table below sets forth the details of the attendance at these meetings:

Name of committee member	Number of meetings attended/ held during tenure
Mr. Ren Yunan ( <i>Chairman</i> )	2/2
Mr. Ou Zonghong	2/2
Mr. Feng Dongcheng (appointed on 7 March 2025)	1/1

The major work performed by the Remuneration Committee during the year ended 31 December 2025 included, among others, reviewing and making recommendation to the Board on the remuneration of the Directors and the senior management of the Group for the year ended 31 December 2025.

The Company has put in place a Directors' remuneration policy to determine the remuneration packages of Directors to ensure that there is an appropriate level of remuneration to attract and retain experienced people of high calibre to oversee the Group's business and development.

The remuneration of Directors is reviewed at least annually and determined with reference to the skills and knowledge of the Directors, their job responsibilities and level of involvement in the Group's affairs, corporate performance, individual performance as well as prevailing market conditions. Remuneration comprise Directors' fees, salaries and other benefits, discretionary bonuses and retirement benefit contributions.

## Corporate Governance Report

The four executive Directors also act as senior management of the Group. The Board will review and determine the remuneration and compensation packages of the Directors and senior management with the recommendation from the Remuneration Committee.

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 December 2025 are set out in note 8 to the consolidated financial statements of the Group in this annual report.

For the year ended 31 December 2025, the remuneration payable to senior management (other than the four executive Directors) by band is set out below:

Remuneration level	Number of person(s)
RMB1,000,000 to RMB1,500,000	1

### 3. Nomination Committee

The Board has established the Nomination Committee with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Nomination Committee has been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rongxinggroup.com](http://www.rongxinggroup.com)).

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes, assist the Board in maintaining a Board skills matrix, identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, assess the independence of the independent non-executive Directors and make recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors and succession planning for the Directors.

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

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

## Corporate Governance Report

In assessing the Board composition, the Nomination Committee will take into account various aspects set out in the Board diversity policy (the “**Board Diversity Policy**”), for identifying individuals suitably qualified to become members of the Board and selecting, or making recommendations to the Board on the selection of, individuals nominated for directorships to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

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

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

As at the date of this annual report, the Nomination Committee consisted of three members, namely Ms. Zeng Feiyan, an executive Director, and Mr. Ruan Weifeng and Mr. Feng Dongcheng, both being independent non-executive Directors. The chairman of the Nomination Committee is Mr. Ruan Weifeng.

## Corporate Governance Report

The Nomination Committee convened one meeting during the year ended 31 December 2025. The table below sets forth the details of the attendance at these meetings:

Name of committee member	Number of meetings attended/ held during tenure
Mr. Ruan Weifeng ( <i>Chairman</i> )	1/1
Ms. Zeng Feiyan (appointed as member of the Nomination Committee on 30 June 2025)	N/A*
Mr. Feng Dongcheng (appointed on 7 March 2025)	1/1
Mr. Ou Zonghong (ceased to be chairman and member of the Nomination Committee on 30 June 2025)	1/1

\* The attendance rate for Ms. Zeng Feiyan is not applicable as no relevant meetings of the Company were held during her tenure.

The works performed by the Nomination Committee during the year ended 31 December 2025 included, among others, the following:

- reviewed the structure, size and composition of the Board;
- assessed the independence of the independent non-executive Directors; and
- made recommendations to the Board on the appointment and re-appointment of Directors.

## Corporate Governance Report

### BOARD DIVERSITY POLICY

The Company has adopted the Board Diversity Policy to assess the composition of the Board. A summary of the Board Diversity Policy is set out below:

The Nomination Committee has primary responsibility for identifying individuals suitably qualified to become members of the Board and selecting, or making recommendations to the Board on the selection of, individuals nominated for directorships while taking into account diversity. The selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. The Nomination Committee is responsible for reviewing our Board Diversity Policy from time to time to ensure its continued effectiveness, and will consider the diversity perspectives set out in the Board Diversity Policy to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. As a measurable objective for the implementation of the Board Diversity Policy, all Board appointments shall be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board without focusing on a single diversity aspect.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (i) the Company shall comply with the requirements on board composition set out in the Listing Rules from time to time;
- (ii) the number of independent non-executive Directors shall be not less than three and one-third of the Board;
- (iii) at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; and
- (iv) at least one Director should be the professional or have intensive experience of the industry in which the Group operates.

The Board currently comprises two female Directors and five male Directors. The Directors also have a balanced mix of knowledge, skills and experience, including property development, overall business management, finance and investment. They have obtained tertiary degrees in various majors including administrative management, accounting, telecommunications engineering, management, economics and law. The Board has three independent non-executive Directors who have different industry backgrounds, representing over one-third of the Board.

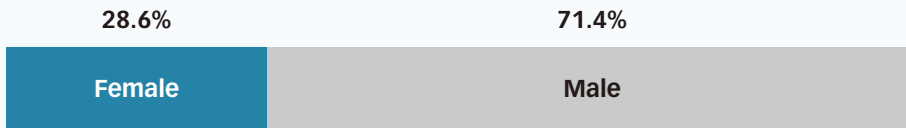
## Corporate Governance Report

The Board is responsible for reviewing the implementation and effectiveness of the Board Diversity Policy on an annual basis. During the year ended on 31 December 2025, the Board has reviewed the Board Diversity Policy. Taking into account the Group’s business model and specific needs as well as the presence of two female Directors out of a total of seven Board members, the Board considered that it has achieved the measurable objectives under the Board Diversity Policy. The Company has taken and will continue to take steps to promote gender diversity at all levels of the Group, and targets to maintain at least the current level of female representation at the Board and senior management levels.

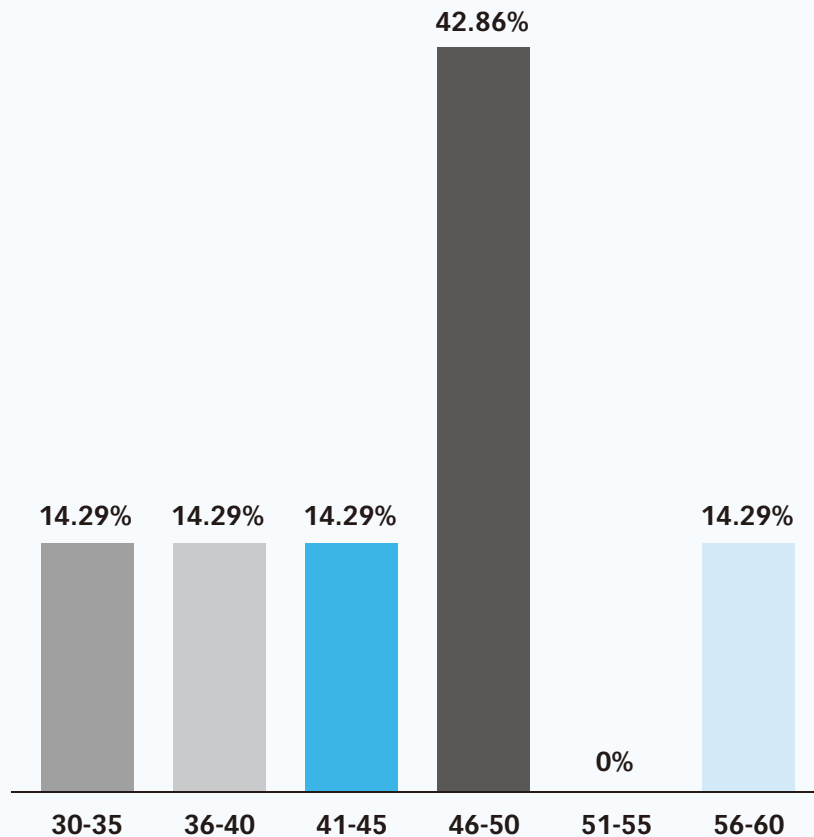
The Company will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and ensure that sufficient resources are available for providing appropriate trainings and career development to develop a pipeline of potential successors to the Board and maintain gender diversity.

As at the date of this annual report, the Board diversification in terms of gender and age group is set out below:

### Gender



### Age Group



## Corporate Governance Report

## DIVERSITY AT WORKFORCE LEVEL

The gender ratio in the workforce of the Group, including senior management, as at 31 December 2025 is set out below:

	Number of persons	Percentage of total workforce
Male	219	57%
Female	164	43%

The Group advocates fairness and equity and provides an equal opportunity work environment for its employees, and encourages gender diversity across its workplace. To achieve diversity at workforce level, the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates are considered. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees. The Group will continue to make ways in achieving gender diversity in the workforce (including senior management) with a target of maintaining a balanced gender mix. During the year under review, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

## DIVIDEND POLICY

According to the dividend policy of the Company, the Company may, subject to the Cayman Companies Act, from time to time in general meetings declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board.

The Board has the discretion to declare dividends to the Shareholders, subject to the Articles of Association and all applicable laws and regulations and taking into consideration factors set out below:

- (i) financial results;
- (ii) cash flow situation;
- (iii) business conditions and strategies;
- (iv) future operations and earnings;
- (v) capital requirements and expenditure plans;
- (vi) Shareholders' interest;
- (vii) any restrictions on payment of dividends; and
- (viii) any other factors that the Board may deem relevant.

## Corporate Governance Report

Such declaration and payment of the dividend by the Company is also subject to any restrictions under the Cayman Companies Act, any applicable laws, rules and regulations and the Articles of Association.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the Corporate Governance Code.

During the year ended 31 December 2025, the Board held two meetings to review the Company's corporate governance policies and practices and make recommendations to the Board, training and continuous professional development of the Directors and the senior management of the Group, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

### AUDITOR'S REMUNERATION

The statements made by KTC Partners regarding its responsibilities of reporting for the financial statements are set out in the section headed "Independent Auditor's Report" in this annual report.

Details of the fees paid/payable in respect of the audit and non-audit services provided by the external auditor of the Company for the year ended 31 December 2025 are set out in the table below:

Services rendered	RMB million
Audit and related services:	2.60
Non-audit services:	–

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group and for reviewing their effectiveness.

The Company continues to adopt best practices and industry standards for risk management and internal control. The Group's risk management and internal control systems include a well-established organisational structure with clearly defined lines of responsibility and authority. Such system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Day-to-day departmental operations are entrusted to individual departments, which are accountable for their own conduct and performance and are required to operate their own department's business within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. Each department is also required to keep the Board informed of material developments in the department's business and of the implementation of the policies and strategies set by the Board on a regular basis.

## Corporate Governance Report

Systems and procedures are also in place in the Group to identify, control and report on the major types of risks the Group encounters. Each department is responsible for the assessment of individual types of risk arising under their areas of responsibility. Relevant risks and material internal control defects identified are reported to the Board for oversight and monitoring. The Group's risk management systems are monitored and reviewed regularly by the Board.

The Audit Committee and the Board oversee the Group's risk management and internal control systems on an ongoing basis, and have reviewed the effectiveness of the risk management and internal control systems and the internal audit findings of the Group from the financial, operational, compliance and risk management controls perspectives for the year ended 31 December 2025. The Board is satisfied that the internal control and risk management systems are effective and adequate. In addition, the Board has reviewed and is satisfied with the adequacy of resources, the qualifications and experience of the staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget. The Board expects that the internal control and risk management systems will be reviewed annually.

### INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules and other applicable laws, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. In particular, the Group has put in place a robust framework for the disclosure of inside information in compliance with the SFO. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Group. The framework and its effectiveness are subject to review by the Board on a regular basis.

### INTERNAL AUDIT

The Group has an internal audit function. The primary role of the internal audit function is to help the Board and the senior management of the Group to protect the assets, reputation and sustainability of the Group. The internal audit function provides independent and objective assurance as to whether the design and operational effectiveness of the Group's framework of risk management, control and governance processes, as designed and represented by the Company's management, is adequate. The internal audit function of the Group is independent of the risk management and internal control systems of the Group.

Results of audit work together with an assessment of the overall risk management and control framework are reported to the Audit Committee as appropriate. The internal audit function also reviews the Company's management's action plans in relation to audit findings and verifies the adequacy and effectiveness of the mitigating controls before formally closing the issue.

## Corporate Governance Report

### ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2025 which give a true and fair view of the state of affairs of the Group and of the results and cash flow for the relevant period. The Directors consider that the consolidated financial statements of the Group for the year ended 31 December 2025 have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The statements of the auditor of the Group about its reporting responsibility on the consolidated financial statements of the Group is set out in the section headed "Independent Auditor's Report" in this annual report.

### DISCLAIMER OF OPINION AND THE COMPANY'S VIEW AND MEASURES TO ADDRESS THE DISCLAIMER OF OPINION

As disclosed in note 2.1(c) to the consolidated financial statements, there are events or conditions that indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In light of this material uncertainty, the Directors have carefully assessed the Group's future liquidity, operating performance and available sources of financing. Based on this assessment, the Directors have formulated and are implementing a series of plans and measures aimed at mitigating liquidity pressure and improving the Group's financial position, in order to assess whether the Group will have sufficient financial resources to continue as a going concern.

The Board wishes to draw the attention of the Shareholders to the section headed "Basis for Disclaimer of Opinion" as contained in the Independent Auditor's Report dated 31 March 2026 issued by the Company's auditors, KTC Partners CPA Limited (the "**Auditors**"), contained in pages 114 to 117 of this report.

In respect of the basis for disclaimer of opinion (the "**Disclaimer of Opinion**") as disclosed in the Independent Auditor's Report for the year ended 31 December 2025 relating to the appropriateness of the assumption regarding the Company's ability to continue as a going concern, the Group has prepared a cash flow forecast covering a period of 12 months from the date of approval of the consolidated financial statements (the "**Cash Flow Forecast**") taking into account the past actual operating performance of the Group and assume the following:

## Corporate Governance Report

- (i) successfully renewing or extending certain existing borrowings and securing new sources of financing from various banks and financial institutions;
- (ii) successfully implementing measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;
- (iii) successfully controlling administrative costs and maintaining containment of capital expenditures;
- (iv) successfully formulating feasible solutions with overseas creditors so as to seek a holistic solution to the relevant debts with the assistance from financial advisors.

As at 31 December 2025, the Company had current borrowings of approximately RMB33.5 billion, of which approximately RMB26.2 billion were in default, while the Group's cash and cash equivalents amounted to approximately RMB1.1 billion.

In preparing the Cash Flow Forecast and concluded that the Group will have sufficient working capital within 12 months from the end of the reporting period, the Company assumed that such borrowings could be deferred through:

- (i) the renewal or extension of approximately RMB19 billion of indebtedness (including asset backed securities, corporate bonds and borrowings from financial institutions), having considered the Group's past renewal history; and
- (ii) the restructuring of senior notes amounting to approximately RMB14.5 billion by way of a holistic solution formulated on the relevant overseas debt with the assistant of the financial advisor for overseas debt management engaged by the Group, such that no immediate repayment would be demanded.

### **Management's position and assessment on the Disclaimer of Opinion**

The Directors believe that, after taking into consideration the Group's projected operating cash inflows based on its expected business performance, its existing cash position, anticipated working capital movements, and the successful implementation of the aforementioned plans and measures, the Group will have sufficient working capital to meet its present requirements for at least the next 12 months from the end of the reporting period. In forming this judgment, the Directors considered all information available at the relevant time, including the status of ongoing discussions with the relevant counterparties, and were of the view that there was a reasonable prospect that the proposed plans and measures could be successfully implemented. On this basis, the Directors consider it appropriate to prepare the Group's consolidated financial statements on a going concern basis.

## Corporate Governance Report

At the relevant time, the Directors were engaged in active discussions with the Group's lenders and creditors regarding the restructuring of the overdue borrowings and payables. Although no formal agreements had been reached, none of the Group's principal lenders or major creditors had exercised their rights to demand immediate repayment or commenced enforcement actions.

In assessing the reasonableness of the underlying assumptions, the Directors have taken into account (i) the Group's ongoing operations and planned cash flow improvement measures, (ii) the Group's historical experience in renewing and restructuring indebtedness, and (iii) the continued constructive dialogue maintained with the relevant lenders and creditors. Accordingly, notwithstanding the existence of a material uncertainty, the Directors consider it appropriate to prepare the consolidated financial statements on a going concern basis.

However, as the aforesaid plans and measures remained ongoing at the relevant time and were subject to uncertainties arising from future developments, including negotiations with relevant parties and conditions in the PRC property market and policy environment, the Company was unable to provide sufficient appropriate evidence to fully address the Auditors' concerns regarding their successful implementation. The Directors acknowledged that: (i) the consolidated financial statements have been prepared on a going concern basis, the appropriateness of which is dependent on the successful implementation of management's plans and measures, which remain subject to certain uncertainties, including the renewal or extension of existing borrowings and the securing of additional financing; and (ii) the Disclaimer of Opinion and understand the basis upon which the Auditors reached their conclusion.

### **Difference between the management and the Auditors**

Although the Directors and the Auditors reviewed the same Cash Flow Forecast and the underlying plans and measures, the Disclaimer of Opinion arose primarily from limitations in obtaining sufficient appropriate audit evidence as at the date of approval of the consolidated financial statements, rather than from any fundamental disagreement with management's assessment.

## Corporate Governance Report

At that time, the relevant plans and measures underpinning management's going concern assessment remained ongoing and had not been finalised. Certain initiatives, including refinancing, funding support and other liquidity enhancement measures, were subject to continuing negotiations and future developments, and therefore had not yet been supported by definitive or legally binding documentation.

Accordingly, while management considered the assumptions underlying the forecasts to be reasonable based on its knowledge of the business and the status of ongoing discussions, the Auditors were unable to obtain sufficient appropriate audit evidence to independently corroborate the feasibility and successful implementation of such plans and measures in accordance with applicable auditing standards. In the absence of alternative audit procedures, the Auditors were therefore unable to conclude on the appropriateness of the use of the going concern basis of accounting and issued the Disclaimer of Opinion.

The Directors note that the Disclaimer of Opinion was driven by timing-related and evidential limitations arising from the ongoing nature of the relevant plans and measures, rather than any disagreement on the directors' responsibilities or assessment framework. There was no disagreement between the Directors and the Auditors in this regard.

### **Removal of the Disclaimer of Opinion in subsequent financial year**

The Company will continue to advance the aforementioned plans and measures in order to resolving its liquidity problem and make appropriate adjustments as and when necessary. It endeavours to resolve the Disclaimer of Opinion issue as soon as practicable. However, as mentioned above, there are still uncertainties as to whether the Group will be able to implement the plans and measures successfully. If any of the plans or measures fail to implement, the going concern issue will subsist and the timing of removing the disclaimer of opinion may be delayed. The Company will provide further update on this in accordance with the Listing Rules.

### **Audit Committee's view on the Disclaimer of Opinion**

The Audit Committee had reviewed and discussed in details with management the basis preparing the consolidated financial statements on a going concern basis, including the Cash Flow Forecast together with the key assumptions adopted therein, as well as the plans and measures formulated to address the Group's liquidity and financial position. Such discussions included, among others, the Company's progress in formulating of holistic solutions with overseas creditors in respect of relevant indebtedness and its negotiations with existing lenders regarding the extension and renewal of certain borrowings.

The Audit Committee had also engaged in discussions with the Auditors regarding the financial position of the Group, the plans and measures implemented and proposed to be implemented by management and the Auditor's audit approach. In this regard, the Audit Committee was briefed on the audit evidence obtained and the reasons why the Auditors were unable to obtain sufficient appropriate audit evidence to support the feasibility of certain assumptions underlying the Cash Flow Forecast and the related plans and measures. The Audit Committee considered and understood the Auditors' rationale in arriving at the Disclaimer of Opinion.

## Corporate Governance Report

The Audit Committee acknowledges that the Disclaimer of Opinion principally arose from limitations on available audit evidence in relation to the feasibility and successful implementation of the relevant plans and measures. The Audit Committee is aligned with management's assessment regarding the Disclaimer of Opinion and the Group's ability to continue as a going concern, subject to the successful implementation of the proposed actions and measures. The Audit Committee has requested management to take all necessary actions to address the matters giving rise to the Disclaimer of Opinion, with a view to resolving such issues and seeking the removal of the Disclaimer of Opinion as soon as practicable.

### COMMUNICATION WITH SHAREHOLDERS

The Company has in place a shareholders' communication policy to ensure that the views and concerns of Shareholders are appropriately addressed. The Company is committed to pursuing active dialogue with the Shareholders as well as to provide timely disclosure of information concerning the Company's material developments to its Shareholders, investors and other stakeholders. Annual general meeting of the Company serves as an effective forum for communication between the Shareholders and the Board. Notice of annual general meeting together with the meeting materials will be despatched to all Shareholders not less than 21 clear days before the annual general meeting. As one of the measures to safeguard the Shareholders' interests and rights, separate resolutions will be proposed at general meetings on each substantial issue, including the election of individual Directors, for the Shareholders' consideration and voting. In addition, the Company regards annual general meeting as an important event, and all Directors, the chairmen of all Board Committees, senior management and external auditor will attend the annual general meeting of the Company to address the Shareholders' inquiries. If the chairman of the Board or the chairman of each Board Committee fail to attend the meeting, then other members of each Board Committee will be invited to attend the annual general meeting and answer the Shareholders' inquiries thereat. All resolutions proposed at general meetings will be voted by poll. The voting results will be posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rongxingroup.com](http://www.rongxingroup.com)) on the same day of the relevant general meetings.

To promote effective communication, the Company maintains a website ([www.rongxingroup.com](http://www.rongxingroup.com)), where the latest information and updates on its business operation and development, corporate governance practice, contact information of investor relations and other information are published for the public's access.

During the year ended 31 December 2025, an annual general meeting of the Company was held on 10 June 2025 at which all the then Directors attended either by person or by means of electronic facilities to communicate with the Shareholders. In addition, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner.

Through the above measures, the Company can ensure that it continues to maintain long-term effective and good communication with its Shareholders and potential investors.

During the year ended 31 December 2025, the Company has reviewed the effectiveness and implementation of the shareholders' communication policy. With the above measures in place, the Board considers that the shareholders' communication policy is still effective and has been effectively implemented.

## Corporate Governance Report

### PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

In accordance with Article 58 of the Articles of Association, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital (on a one vote per share basis) of the Company carrying the right of voting at the general meetings of the Company shall at all times have the rights, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board and resolutions to be added to a meeting agenda for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to process to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing the Shareholders to propose new resolutions at the general meetings under the Articles of Association and the Cayman Companies Act. However, the Shareholders who wish to propose resolutions may follow Article 58 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of Article 58 are set out above.

### PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the investor relations which contact details are as follows:

Address: Level 20  
Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

Email: [ir@rxgcn.com](mailto:ir@rxgcn.com)

## Corporate Governance Report

### COMPANY SECRETARY

During the year ended 31 December 2025, Mr. Yu Zuoyi and Ms. Lee Angel Pui Shan were the joint company secretaries of the Company. Ms. Lee Angel Pui Shan was a corporate secretarial executive of SWCS and was not an employee of the Company. The primary contact person of the Company with Ms. Lee Angel Pui Shan was Mr. Yu Zuoyi during the year ended 31 December 2025.

In compliance with Rule 3.29 of the Listing Rules, each of them has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2025.

With effect from 31 March 2026, Ms. Lee Angel Pui Shan resigned as a joint company secretary of the Company and Mr. Yu Zuoyi has since acted as the sole company secretary of the Company.

### AMENDMENT TO THE ARTICLES OF ASSOCIATIONS

The memorandum and articles of association of the Company (the “**Memorandum and Articles of Association**”) are available on the websites of the Company and the Stock Exchange. There was no change in the Memorandum and Articles of Association during the year ended 31 December 2025.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1 ABOUT THIS REPORT

This is the tenth Environmental, Social and Governance Report (the “**ESG Report**” or “**Report**”) released by Ronshine China Holdings Limited (the “**Company**”, “**Ronshine**” or “**we/us**”) and its subsidiaries (collectively, the “**Group**”), which summarizes the Group’s environmental, social and governance (ESG) policies, initiatives and performance.

### Scope of the Report

The Report covers the Group’s business segments including real estate development and asset management operations, from 1 January 2025 to 31 December 2025 (the “**Reporting Period**” or the “**Year**”). The environmental key performance indicators (KPIs) in the Report focus on the places of our core business operations, including our Shanghai head office, Fujian regional office, Shanghai-Suzhou regional office and Zhejiang regional office, while the social KPIs cover the entire Group. Further details about our performance in sustainable development can be found in the Sustainability Data Statements.

### Criteria of the Report

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**Code**”) as set out in Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The contents covered herein comply with the mandatory disclosure requirements and the “comply or explain” provisions as required in the Code and the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”.

**Materiality:** The Report has identified and disclosed herein the process and criteria of selection of material ESG issues, as well as the process and results of stakeholders’ participation.

**Quantitative:** Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definition of the Report.

**Balance:** The Report shall provide an unbiased picture of the performance of the Group during the Reporting Period. It should avoid selections, omissions or presentation formats that may inappropriately influence the decision or judgment by the readers of the Report.

**Consistency:** The statistical methodologies applied to the data disclosed in the Report shall be consistent with the previous year unless otherwise specified.

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### Language of the Report

The Report is available in two languages, i.e. Traditional Chinese and English. In case of any discrepancy between the two versions, the Traditional Chinese version shall prevail.

### Approval of the Report

The Report was approved by the Board on 31 March 2026 upon the confirmation by the management.

### Feedback on the Report






The Group attaches great importance to your feedback on the ESG Report. Should you have any queries or suggestions, please do not hesitate to contact us through the email address: ir@rxgcn.com.

## 2 OUR BELIEFS IN SUSTAINABLE DEVELOPMENT

Amidst the intensifying global trend toward sustainable development, the Group has always been committed to the vision of “A Leader in Quality Real Estate and A Service Provider for Better Life”, to make unremitting efforts to improve the living environment and build a better life. We clearly recognize that sustainability is not only the key driver for achieving business excellence, but also a vital pillar for improving long-term competitiveness. We continue with proactive efforts to integrate Sustainable Development Goals (the “SDG”) into our business planning and practices of the Group. By continuously exploring innovative pathways and strengthening collaboration with all stakeholders, we are committed to fostering the coordinated development of society, the environment, and the economy, thereby providing solid support for creating a green and harmonious future.

SDG	Our goals	Corresponding chapter
 <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> <li>&gt; Further improve corporate governance, and build an environment of integrity and morality</li> <li>&gt; Make unremitting efforts to improve the quality of urban living and build better lives</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 3 RONSHINE QUALITY BUILT WITH INGENUITY</li> </ul>
 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION		
 <b>3</b> GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> <li>&gt; Communicate with employees through various channels to understand their needs</li> <li>&gt; Organize various activities to enrich the leisure life of employees</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 4 HUMAN RESOURCE MANAGEMENT</li> </ul>
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH		
 <b>10</b> REDUCED INEQUALITIES		

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SDG		Our goals	Corresponding chapter
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> <li>➤ Monitor and review the greenhouse gas emission data on an ongoing basis</li> <li>➤ Advance green building certification, reduce greenhouse gas emissions, advocate and practice green office</li> </ul>	<ul style="list-style-type: none"> <li>➤ 5 ENVIRONMENTAL GOVERNANCE AND PRACTICES</li> </ul>
 <p><b>13</b> CLIMATE ACTION</p>			
 <p><b>1</b> NO POVERTY</p>	 <p><b>4</b> QUALITY EDUCATION</p>	<ul style="list-style-type: none"> <li>➤ Leverage resources and advantages to promote the sustainable development of social welfare undertakings</li> </ul>	<ul style="list-style-type: none"> <li>➤ 6 SOCIAL RESPONSIBILITIES AND PUBLIC WELFARE</li> </ul>

### 2.1 Statement of the Board

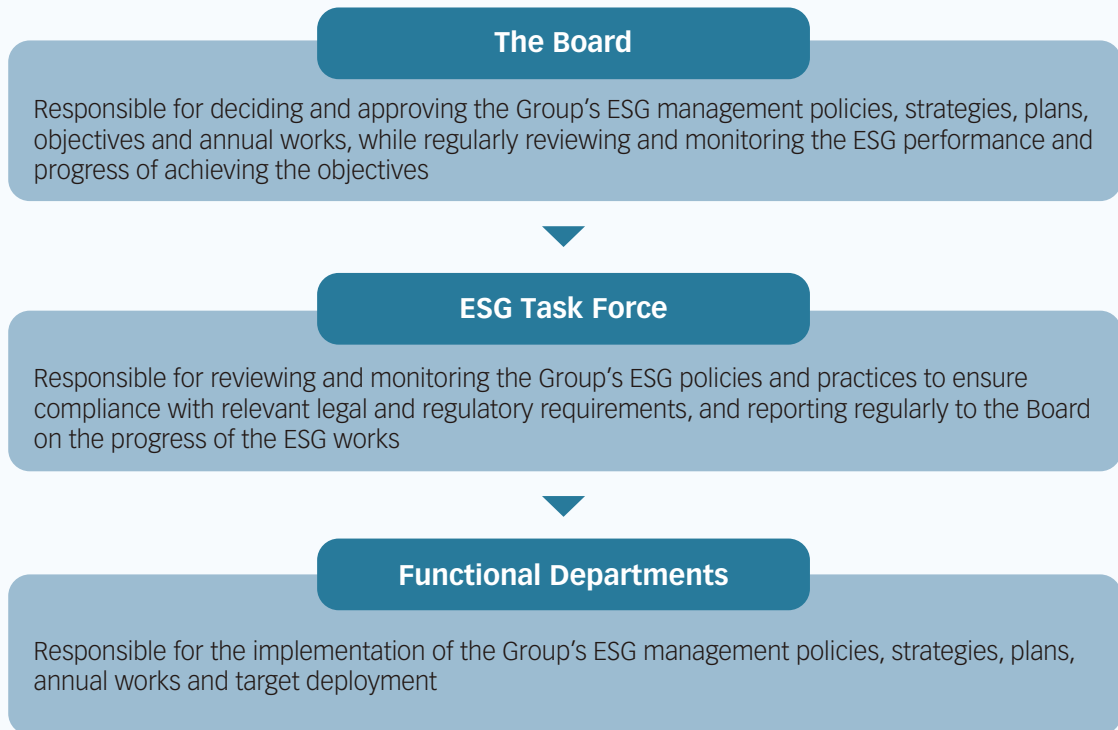
To strengthen the coordinated management of ESG-related matters, we have established a dedicated ESG Task Force directly led by the Board, which is committed to efficiently advancing relevant work and responding to the expectations and needs of our various stakeholders. During the Year, the Board reviewed and endorsed the results of our materiality assessment and conducted periodic reviews of our environmental objectives to continuously enhance the Group’s performance in the environmental and social fields. In light of the growing urgency of global climate change issues, we actively assess relevant climate-related risks and implement targeted measures to mitigate them. The Group continues to implement various energy conservation and consumption reduction initiatives, fully embracing the philosophy of green development to provide steadfast support for the harmonious advancement of both the environment and society.

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### 2.2 ESG Management

In the course of its business development, the Group remains steadfastly committed to strengthening its governance of ESG matters, upholding a profound sense of social responsibility, and fostering the synergistic advancement of both the enterprise and society. We have established an ESG Task Force jointly led by the Chief Executive Officer and the Company Secretary, which reports regularly to the Board, to assess the appropriateness and effectiveness of the Group's ESG risk management. During the Reporting Period, the Board has overseen the preparation and publication process of the ESG Report on an ongoing basis, reviewed the ESG Report and approved the publication by the Board resolution. These measures demonstrate our unwavering commitment to transparency and responsibility, aiming to provide robust assurance for the Group's continuous ESG improvement.

#### Ronshine's ESG management structure



## Environmental, Social and Governance Report

## 2.3 Communication with Stakeholders

We always place open dialogue with stakeholders at the core and listen to and respond to their concerns and expectations through diverse communication channels. We continuously refine our sustainability strategies based on the opinions of stakeholders, striving to foster mutual trust and collaborative relationships. By systematically gathering and analyzing diverse perspectives, we integrate stakeholder needs into our corporate decision-making processes, thereby ensuring the effective advancement and implementation of our sustainability initiatives. Through these efforts, we are dedicated to building a robust network of collaboration that provides steadfast support for the shared progress of both our enterprise and society.

Major stakeholders	Communication methods	Major concerns/expectations
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Annual general meetings and other general meetings</li> <li>Interim reports and annual reports</li> <li>Results announcements</li> <li>Investor meetings</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Corporate governance</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys and opinion forms</li> <li>Customer consultation groups and customer service centers</li> <li>Customer loyalty enhancing campaigns</li> <li>Daily operation/communication and telephone/mailbox</li> </ul>	<ul style="list-style-type: none"> <li>Quality assurance</li> <li>Customers' rights and interests</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee surveys</li> <li>Performance appraisals</li> <li>Special advisory committees/symposiums</li> <li>Seminars/workshops/lectures</li> <li>Publications (such as employee communications), staff communication conferences</li> <li>Volunteer activities</li> <li>Staff intranet</li> </ul>	<ul style="list-style-type: none"> <li>Employees' rights and interests</li> <li>Trainings and development</li> <li>Health and safety</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supplier management procedure, conferences</li> <li>Supplier/contractor evaluation system and onsite inspections</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management</li> </ul>

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Major stakeholders	Communication methods	Major concerns/expectations
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>Strategic cooperation projects</li> <li>Exchange activities</li> <li>Meetings and visits</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics</li> </ul>
<b>Government/Industry Associations</b>	<ul style="list-style-type: none"> <li>Organize industrial events, seminars and inspections</li> </ul>	<ul style="list-style-type: none"> <li>Response to policies and participation in industry exchanges</li> </ul>
<b>Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Responses to public consultations</li> <li>Compliance reports</li> </ul>	<ul style="list-style-type: none"> <li>Compliance management</li> </ul>
<b>Community/ Non-government Organizations</b>	<ul style="list-style-type: none"> <li>Volunteer activities, donations</li> <li>Community investment plans</li> <li>Community activities as well as seminars/workshops/lectures</li> </ul>	<ul style="list-style-type: none"> <li>Social responsibility</li> </ul>
<b>Public</b>	<ul style="list-style-type: none"> <li>Media information</li> <li>Our website</li> <li>Group activities</li> </ul>	<ul style="list-style-type: none"> <li>Social responsibility</li> </ul>

### 2.4 Materiality Assessment

Based on its own sustainable development progress and stakeholder concerns, and with reference to the disclosure obligations as set out in the Code issued by the Hong Kong Stock Exchange and the industry materiality issue database from Sustainability Accounting Standards Board (SASB) in the United States, the Group has prioritized its ESG-related material topics as the basis for the preparation of this report and ESG work. Having comprehensively considered the relative significance and influence of each of the ESG issues to stakeholders, the ESG Task Force and management have confirmed that the materiality assessment results remain applicable during the Year for the following reasons: (i) there have been no material changes in the Company's business and the business environment during the Reporting Period; and (ii) the materiality assessment results continue to reflect expectations of stakeholders toward us. The Company identified 9 issues of high importance, 17 issues of moderate importance and 7 issues of general importance, with each to be detailed separately herein. We are committed to ensuring that our ESG work align closely with stakeholder expectations, providing clear guidance for the long-term, steady development of our enterprise.

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**Highly important issues**

Compliance with laws and regulations	Employee diversity, non-discrimination and equal opportunity	Anti-fraud and anti-corruption	Prevention of child labor and forced labor
Economic performance	Health and safety of products/services	Staff training and development	Green building opportunities
Occupational health and safety			

**Moderately important issues**

Market competitiveness	Quality control	Customer privacy protection	Whistleblowing mechanism
Whistleblowing mechanism	Complaint handling and responding mechanism	Protecting intellectual property	Publicity and product/service labels
Employment benefits (e.g., work hours, vacation, benefits, promotions)	Relationship between employers and employees	Qualifications and professional conduct	Energy consumption and efficiency
Responsible procurement (including assessment of suppliers' environmental and social performance)	Concerning the community	Community investment and involvement	Waste discharge and treatment
Use of material/resource			

**Generally important issues**

Technology development and application	Greenhouse gas emissions	Water consumption and benefits	Exhaust emissions
Wastewater discharge and treatment	Climate change	Awareness of environmental protection of employees	

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### 3 RONSHINE QUALITY BUILT WITH INGENUITY

We are well aware of that products constitute the core foundation of an enterprise's development, and that exceptional product capability serves as the key manifestation of its competitiveness. Ronshine Group strategically deploys to nine core urban agglomerations, namely the west coast of the Straits, the Yangtze River Delta, middle reaches of the Yangtze River, the Greater Bay Area, the Beijing-Tianjin-Hebei Region, Zhongyuan (Central Plain), Chengdu and Chongqing Region, Northwest China and Shandong Peninsula. We treat each community as a precious work of art, and hope that Ronshine's creations will last for a century or even a thousand years, insisting on influencing cities with quality. The following are our five key product series:

#### Century Series

With the series, we select high-value and high-potential districts of a city and join hands with top-notch design teams to create a modern artistic community with a distinctive taste from the perspectives of architectural aesthetics, intelligent technology and artistic community.

#### Haiyue Series

With this series, we explore the aesthetics of oriental humanistic architecture from the heights of history and humanistic values, and completely renew the urban fabric and revolutionize the traditional way of living with the spirit of cultural confidence and cultural return.

#### Haina Series

With liberalism, vitalism and polychromatism as the origin of design, our Haina Series combines Ronshine's 18 years of experience in human habitat construction with the global trend of human settlement, delivering a whole new upgrade in the type of flat, and the ideas of healthy living and artistic pleasure.

#### Lan Sky Series

Always appearing in the best part of the city, our Lan Sky Series integrates natural resources such as mountains, rivers, lakes and seas to create a new lifestyle supported by fine quality and garden-like communities.

#### Center Series

This series targets the location in the center of a city and aims at becoming the landmarks surrounded by offices, five-star hotels and commercial complexes to converge the values of the location, people and industries and power the development of the whole area.

The Group remains dedicated to key areas such as the Yangtze River Delta and the west coast of the Straits, and makes every effort to ensure project delivery by virtue of its unwavering commitment to enhancing product and service quality. The Group has always stayed true to its mission and endeavored to achieve its commitment of quality delivery to the homebuyers, and has been devoted to the pursuit of better living environment and fulfilling and happy life.

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We strictly abide by the laws and regulations such as the Product Quality Law of the People’s Republic of China, the Construction Law of the People’s Republic of China, and the Law on the Protection of Consumer Rights of the People’s Republic of China. In the meantime, we have established a series of quality standards and procedures to minimize quality and safety risks, and improved project management standards to ensure timely delivery of projects. We have adopted a systematic project development and management process to enhance the efficiency and quality of work through the implementation of well-designed and standardized procedures in different project cycles. Clear demarcation of responsibilities for each project ensures clarity of accountability between responsible personnel and the parties involved in the project. Our development and management process includes various stages such as project review, coordination, design, procurement, model home development, construction, sales and delivery. Standardized procedures further enhance the level of the Group’s excellent product quality. Through these endeavors, we are dedicated to realizing our customers’ vision of enjoying a happy life through exceptional service and exquisite quality, thereby providing a steadfast guarantee for the creation of long-term value for both the community and our customers.

By developing the customer-centric “Ronshine Quality Built with Ingenuity” system with distinctive characteristics, we are striving for greater improvement in the aspects that are of utmost importance to customers through the micro and refinement of product quality, as well as the transparency and interactive experience of scene display.

### Case: “Ronshine Quality Built with Ingenuity” System – Six Standards



To further strengthen engineering quality control and risk mitigation, we are committed to ensuring the high quality and reliability of project deliverables through standardized systems and professional assessment mechanisms. We have formulated the Project Planning and Management Policies of Ronshine Group to standardize the management and implementation of projects at each stage. To minimize quality defects and avoid the risk of group complaints from customers, we have engaged third-party appraisal agencies to conduct a comprehensive assessment on construction in progress in the corresponding tender section, and developed the Third-Party Appraisal Inspection Score Sheet and the Third-Party Appraisal Information Collection Sheet. Additionally, we have established the Maintenance and Management System of Ronshine Group, to record and deal with quality problems complained by customers, thereby rectifying and preventing the similar problems. During the Reporting Period, we had no product recalls due to product quality and safety defects.

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### 3.1 Customer Orientation

We always take customer needs as the core driving force, and are committed to creating a high-quality living environment and a comfortable experience through dedicated service. We are earnestly attentive to the feedback of customers to gain a deep understanding of their expectations and requirements. The Operation Management Center of the Group is responsible for the coordination of the customer satisfaction survey, and the customer relations functional line of the business department cooperates to promote the specific work in the process of the survey. In order to regulate the process of the customer satisfaction survey and ensure its scientificity and validity, we have formulated the Implementation Rules for the Customer Satisfaction Survey. We have a standard complaint handling process in place to respond to customers' opinions and complaints in an appropriate and timely manner, thus enhancing customer satisfaction. Each complaint is scrutinized by the customer service team, and the best way to handle it is discussed internally to respond to the customer within a specific time frame. During the Reporting Period, the Group received a total of 5,370 customer complaints. The customer service team will conduct systematic tracking and closed-loop management of customer feedback to ensure that customer requests are properly addressed, while simultaneously leveraging customer feedback as a driving force for optimizing our products and services. We are committed to continuously enhancing the customer experience and creating greater value for our customers' lives.

In addition, we actively disseminate our corporate news, updates on Ronshine, products and services and other information through our official website and online platforms such as WeChat, allowing the public to stay abreast of relevant information about Ronshine. Our Brand Operation Department will carefully verify the information before publication to ensure its authenticity and transparency and prevent any false or misleading information in strict accordance with the Advertising Law of the People's Republic of China, the Law on the Protection of Consumer Rights and Interests and other relevant regulations. Through these efforts, we aim to build an open and credible bridge of communication, providing strong support for enhancing public trust and corporate value.

### 3.2 Integrity Governance

We always regard compliance and clean management as important components of our corporate culture and we are committed to safeguarding our corporate reputation and interests through standardized management. We strictly comply with the Company Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Interim Provision on Banning Commercial Bribery, and other relevant laws and regulations, and we have developed the Rules for Integrity Building and other internal policies to prevent employees from taking advantage of their positions to seek personal gains or to cause harm to the Company, so as to effectively prevent the risk of corruption. During the Year, the Group was not involved in any corruption lawsuits involving bribery, extortion, fraud and money laundering.

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In the meantime, the Group is committed to upholding a culture of corporate integrity through robust governance mechanisms. We have established secure and reliable reporting channels, encouraging employees to report any misconduct via various confidential methods, including email, telephone, postal mail, and text message. We strictly require employees not to conceal any known violations, and all individuals subject to a report are required to cooperate fully with a fair and impartial investigation. Should a report be substantiated, we will impose severe disciplinary measures in accordance with our regulations to reinforce discipline and serve as a deterrent to relevant personnel. In a bid to further enhance the construction of a clean organization and regulate employees' conduct, we require recruits to sign the Employee Integrity Agreement, and set integrity billboards at prominent places within our office premises, indicating the telephone number and mailbox for reporting. During the Year, the Group has uploaded training materials such as the Anti-Bribery Ordinance and the Anti-Corruption Programme – A Guide for Listed Companies. The Group organizes training sessions for its directors and employees to enhance their awareness of anti-corruption policies and corruption risk management. We are committed to actively fostering an ethical and transparent workplace environment, thereby providing robust support for the Group's compliant operations and the fulfillment of its social responsibilities.

The Group strictly complies with the requirements of the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and other relevant regulations in regulating and strengthening the management of intellectual property rights while actively promoting the development and protection of its products and making due efforts to avoid infringement of existing intellectual property rights of others.

### 3.3 Network and Information Security

We attach great importance to information security and privacy protection, and regard them as indispensable cornerstones of our corporate operations. We are committed to ensuring data security and fostering customer trust through standardized management practices. We strictly comply with the Cybersecurity Law of the People's Republic of China and other regulations in the places where we operate to protect privacy information. The Group mainly uses the Office Automation System (OA system) for daily office communication as well as storing customer information and company documents in an orderly manner. Internal documents in the OA system are required to be approved by supervisors before disclosure and only employees authorized by the nature of their work can access customer information. Confidential documents must not be downloaded or printed at all.

We are committed to ensuring the security and confidentiality of customer information through rigorous management and technical measures. We expressly prohibit any unauthorized disclosure of information, require our employees to strictly adhere to data processing guidelines, and continuously enhance their information security awareness through regular training. To bolster our cybersecurity capabilities, the Group conducts periodic information security audits and penetration tests, promptly remediates high-risk vulnerabilities, and performs regular maintenance and updates on our hardware, software, communication infrastructure and information systems. During the Reporting Period, the Group experienced no information security incidents or breaches of customer data, fully demonstrating our unwavering commitment to and responsibility for information security. Through these information security measures, we strive to uphold customer trust and provide a robust safeguard for information security and privacy protection.

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### 3.4 Supply Chain Assessment and Oversight

We fully recognize that a robust and efficient supply chain serves as the core pillar of an enterprise's stable growth, thus striving to ensure the reliability and transparency of our supply chain through standardized management mechanisms. To this end, we have established the Supplier Management System to establish a comprehensive management system encompassing the entire lifecycle of supplier screening, selection and evaluation, thereby ensuring an open, fair and impartial selection and evaluation process. During the supplier audit process, we implement rigorous pre-qualification of supplier candidates. Through strict oversight across the stages of information collection, registration, evaluation, shortlisting and final selection, we safeguard the economic interests of all parties and foster a favorable business environment.

To ensure the reliability and quality of the supply chain, we have conducted in-depth research on various qualifications and performance capabilities of our suppliers. With thorough background investigations, site visits and face-to-face communication, we gain an in-depth understanding of suppliers' qualifications, technical expertise and performance capabilities. We evaluate suppliers based on factors such as quality management capabilities and schedule management capabilities to ensure that project quality meets established standards. All engineering suppliers must strictly comply with current national codes and standards, industry standards, and the requirements of the construction drawings approved by the project owner before commencing construction and acceptance work.

To further enhance the efficiency and reliability of our supply chain, we regularly review supplier performance to evaluate future collaboration opportunities. During the Year, the total number of suppliers of the Group was 299, spanning categories such as materials and equipment, general and specialized subcontracting, and consulting services; of these, all 299 suppliers successfully passed the evaluation under our supplier management system. The distribution of suppliers within the general and specialized subcontracting and consulting services categories is as follows:

Region	Shanghai	Fujian	Zhejiang	Shanghai and Suzhou	Chengdu and Chongqing	Henan	Shandong	North China
Number	36	52	46	48	20	65	16	16

We firmly uphold the integrity and compliance of our supply chain, strictly adhering to ethical boundaries. We do not cooperate with suppliers who have unethical business practices, corruption, forced labor, or other violations of local laws and regulations. In collaboration with business partners, including suppliers, Ronshine would sign the Integrity Cooperation Agreement with these parties, to set clear standards for behaviors of all sides, reinforce the commitment to integrity in the course of collaboration, and protect the rights and interests of all parties involved. We give priority to green products and never selects suppliers that do not operate in compliance with laws and regulations. Meanwhile, the Group conducts regular inspections of construction units, complies with environmental protection requirements where construction projects are located, and actively promotes green supply chain management through strict material selection and other measures. Through the aforementioned supply chain management measures, we are committed to establishing an efficient and transparent supply chain system, thereby providing reliable support for our enterprise's robust operations and long-term partnerships.

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### 4 HUMAN RESOURCE MANAGEMENT

The Group consistently regards employee well-being as a core pillar of its corporate development, committing itself to fostering a healthy and safe workplace environment while collaborating with employees to drive the Group's long-term progress. We continuously optimize our employment management systems, strictly adhering to relevant regulations such as the Labor Law, the Labor Contract Law, and the Social Insurance Law of the People's Republic of China, among other laws and regulations. The Group did not encounter any recruitment incidents or labor rights violations throughout the Reporting Period. As of 31 December 2025, the Group had a total of 383 employees across its operational sites, as outlined in this report.

#### 4.1 Lawful Employment

To enable employees to quickly integrate into the Group and understand career development and to provide employees with clear occupational guidance and support, the Group has developed the New Employee Induction Handbook for new recruits, outlining their rights, responsibilities, and duties to be upheld throughout their employment cycle. The Handbook not only helps employees quickly familiarize themselves with the corporate culture and work environment, but also establishes an effective bridge for communication with them. The Group places great emphasis on safeguarding the legitimate rights and interests of its employees, ensuring that expectations between management and staff remain clear and transparent. We strictly adhere to internationally recognized human rights standards including the Constitution of the International Labor Organization to ensure that no job seeker or employee is discriminated for their nationality, religion, age, gender, family status, health, or any other factors. By optimizing our recruitment processes and expanding our channels for both campus and general social recruitment, we are dedicated to attracting even more exceptional talent to join us.

We are committed to ensuring that employees' rights and interests are fully respected and protected through rigorous institutional safeguards. We strictly prohibit any unethical employment practices, including neither child labor nor forced labor. During the onboarding and labor contract signing process, we request job applicants to present their identification documents for verification so as to prevent the hiring of child labor from the very beginning. Should any violation, such as discrepancies in identity, age, or instances of forced labor, be discovered, we will immediately terminate the labor contract with them to safeguard their legitimate rights and interests. The Group adheres to standard working hours, with our offices functioning on a five-day workweek, so as to guarantee that our employees receive sufficient rest. During the Reporting Period, no instances of child labor or forced labor were reported within the Group. We will strive to foster a fair and respectful workplace environment, providing support for our employees' well-being and career security.

We value the feedback and suggestions of our employees, so when an employee resolves to resign, our Human Resources department will respond quickly and consult with him/her to find out the reasons, and ensure a smooth handover and transition. Our Employee Handbook details the procedures for employment termination, stating clearly that should there be any breaches of its provisions, workplace discipline, or professional ethics by any employee, the Group reserves the right to terminate the employment contract with him/her immediately.

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To attract and retain talent, we are always committed to providing a fair and competitive compensation system. We compensate our employees according to their qualifications, roles, and experience. Our compensation package encompasses both salary and a wide range of benefits designed to enhance employee motivation and foster mutually beneficial outcomes. To motivate our employees towards self-improvement, we regularly conduct evaluations and base salary increments, bonuses, and promotions on these assessments.

### 4.2 Employee Empowerment and Development

The Group fully recognizes the pivotal role that talent development plays in ensuring the long-term success of an enterprise. Through diverse training mechanisms, we enhance our employees' professional skills and knowledge base, thereby strengthening the Group's overall competitiveness. We design targeted, customized training programs tailored to employees across various positions and organizational levels, establishing a flexible and multifaceted training system. We have implemented a diverse range of training mechanisms, encompassing the following distinct types of training:

#### BASIC TRAINING

- New employee orientation, covering professional ethics training, corporate culture training and other areas, so that all new employees can comprehend our corporate culture

#### ECHELON TALENT TRAINING

- Under the four core principles, i. e. education&training, self-development, mentoring, and action&learning, coupled with working practice, assignment and theory application, we strive to ensure that our employees are able to apply what they have learned at work

We have prepared the Management Measures of Luban Academy of Ronshine Group. Through special lectures, industry exchanges and other forms, combined with the latest trends in the industry, we have designed a variety of training courses to continuously enhance the engineering professional skills and management capabilities of our employees. Through these initiatives, we provide our employees with a broad platform for learning and professional growth, thereby facilitating mutual advancement and value creation for both the Company and its workforce.

### 4.3 Employee Safety and Health

We believe that the safety and health of our employees serve as the cornerstone for ensuring efficient work and corporate success, and that fostering a safe and comfortable workplace environment is a fundamental responsibility of the enterprise. We place a high priority on the safety and health of our employees in the workplace. We adhere to the Safety Production Law, Fire Prevention Law, Social Insurance Law, Occupational Disease Prevention Law of the People's Republic of China, among other regulations, and have developed the Project Safety and Civilization Standard Atlas to guide our standardized project site management practices and safeguard the safety and health of our employees. Over the past three years, the Group has not experienced any work-related injuries or fatalities.

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We have taken the following measures to ensure staff safety:

	<p>Customized safety training for construction personnel</p>
	<p>Propaganda billboard to disclose major hazard sources, work-related injuries and fatalities, safety education news and targets, etc.</p>
	<p>Safety devices (fire facilities, safety belts, protective measures, risk warning signs, etc.)</p>
	<p>Arrangement for safety education and training</p>
	<p>Reporting mechanisms for major casualties and other safety incidents to ensure proper handling of individual cases, etc.</p>

To mitigate risks, the Group conducts safety inspections from time to time, aiming to identify and address safety issues promptly, and consistently remind our employees to prioritize safety.

### 4.4 Employee Care and Welfare

Generous welfare and a good working environment are key pillars for employee satisfaction. We will strengthen employees' sense of well-being and belonging through comprehensive protection and care measures. In this regard, we contribute to mandatory social insurance and housing fund for all our employees, including basic pension insurance, basic medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance, along with the housing provident fund. Additionally, we recognize statutory holidays and offer a variety of leaves including personal, sick, annual, marriage, maternity, work-related injury and funeral leave. Furthermore, we regularly organize a diverse range of team-building activities to foster a positive and uplifting corporate culture, thereby igniting our employees' passion for work and strengthening team cohesion. We are dedicated to creating a warm and supportive workplace environment for our employees, facilitating the shared growth and harmonious development of both our employees and the Company.

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### 5 ENVIRONMENTAL GOVERNANCE AND PRACTICES

We deeply recognize the critical importance of environmental protection and sustainable operations to our long-term corporate development. Through systematic management, we mitigate the environmental impact of our business activities and ensure the environmental compliance of our operations. We strictly adhere to all applicable Chinese environmental laws and regulations, and strive to minimize our environmental footprint. We abide by the Chinese environmental laws and regulations, including the Environmental Protection Law, the Water Pollution Prevention and Control Law, the Air Pollution Prevention and Control Law, the Environmental Noise Pollution Prevention and Control Law, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, to continuously optimize resource utilization efficiency and drive more energy-efficient and environmentally friendly business practices. Throughout the Reporting Period, the Group maintained a clean record of zero environmental law violations, and no major incidents impacting the environment and natural resources, and no notices of penalties or environmental lawsuits.

To respond to challenges from the global climate change, the Group drive green operations by pursuing high environmental standards. We strive to maintain or reduce the density of our GHG emissions, energy use, water use, and waste generation at comparable levels of business operations. The Group conducts regular assessments and reviews on the progress of our environmental targets and initiatives, striving to identify further opportunities for energy conservation and emission reduction. The Board of the Group has reviewed our environmental targets, and the results indicate that both electricity consumption intensity and carbon emissions intensity for the current year have decreased compared to the same period last year. We are committed to striking a balance between environmental protection and business development, contributing concrete actions toward addressing climate change.

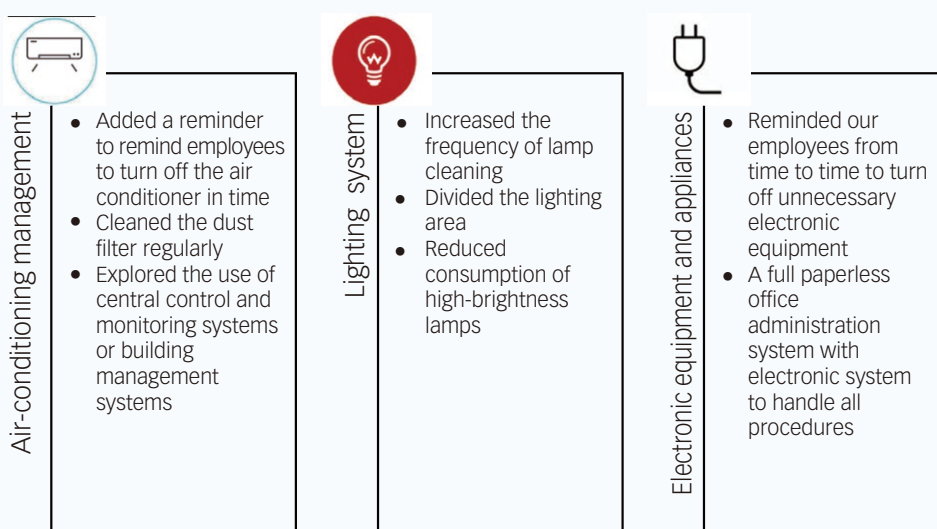
#### 5.1 Reducing Environmental Burden

To advance the Group's environmental objectives and promote low-carbon management in both construction and daily operations, we prioritize the utilization and management of resources during the construction process. The primary work for the Group's construction projects is executed by professional contractors. Consequently, the key scope regarding environmental impact and energy and resource consumption for the current year stems primarily from the daily operational activities of our Shanghai Headquarters, the Fujian Regional Office, the Shanghai-Jiangsu Regional Office, and the Zhejiang Regional Office. For specific details regarding the Company's carbon emissions for the current year and the progress made toward achieving our carbon reduction targets, please refer to the "Climate Risks and Responses" section.

## Environmental, Social and Governance Report

### Energy and Water Efficiency

We actively uphold the philosophy of green development, deeply integrating environmental protection principles into our daily operations and driving sustainable development through effective resource management and energy-saving measures. The Group remains committed to continuously reducing both greenhouse gas emissions and resource consumption. During the Year, the total electricity consumption of the Group was 150,543.53 kWh, and the electricity consumption intensity was 44.10 kWh per square meter. In order to strengthen resource utilization, we implemented various measures including energy saving and emission reduction and resources saving. The major energy saving measures we have implemented are as follows:



During the Year, we have encountered no problems in obtaining suitable water sources. The Group has implemented the following water conservation measures:

- Post water conservation signs in our toilets
- Remind our staff to turn off the water faucets
- Regularly performed leak testing of water pipes
- Speeded up the repair of dripping faucets

The Group's total water consumption within the environmental data collection scope was 1,376.00 cubic meters, and the total water consumption intensity was 0.40 cubic meters per square meter. The Group continuously monitors water consumption in the course of its business operations and strives to cultivate the water conservation habits among its employees.

## Environmental, Social and Governance Report

### **Waste Reduction and Disposal**

The Group actively promotes waste reduction at source by purchasing after evaluating materials to avoid overstocking. Moreover, we provide sorted recycling bins for our employees and encouraged to reuse various stationery items. We believe that implementing waste reduction measures at the source can reduce waste generation and optimize resource utilization efficiency. During the Reporting Period, the amount of non-hazardous waste generated by the Group was 9.05 tonnes, while the amount of hazardous waste generated was 5.00 tonnes. Non-hazardous waste (daily office garbage) is collected and disposed of by the designated party of the local environmental protection and health department. Hazardous waste is stored in designated collection bins or delivered to qualified specialized companies for proper disposal. The aforementioned measures serve to reduce environmental impact and effectively enhance the green office and community environment.

### **5.3 Construction Environmental Protection Management**

We embrace the responsibility of ensuring project environmental compliance and sustainable development, and are committed to achieving green construction objectives through rigorous institutional management. As such, in accordance with the requirements of the Environmental Impact Assessment Law of the People's Republic of China, the Construction Law of the People's Republic of China, the Technical Specifications for Urban Fugitive Dust Pollution Prevention and Control, the Regulation on the Administration of Construction Project Environmental Protection, the Law on the Management of the Environmental Inspection of Completed Construction Projects and other laws and regulations, the Group has formulated the Standard Atlas on Safety and Civilization of Project, and fully implemented various environmental protection measures, so as to avoid project delays, suspensions or reputational risks due to environmental violations. We are committed to continuously advancing the green and compliant implementation of our projects, thereby safeguarding the steady development of our enterprise and the fulfillment of our environmental responsibilities.

## Environmental, Social and Governance Report

The Group committed to reducing the environmental impact of business operations and construction activities. As such, we actively adopt measures to minimize the impact of the Group's business operations and its construction on the environment. The main measures include:

<b>Pollutant</b>	<ul style="list-style-type: none"> <li>• The construction sites will be constructed with strong fences, and materials will be placed in accordance with the stacking requirements;</li> <li>• Measures such as dust suppression by watering, washing of floors and vehicles will be continuously implemented to prevent and reduce dust;</li> <li>• Zoning operations will be carried out;</li> </ul>
<b>Sewage treatment</b>	<ul style="list-style-type: none"> <li>• Strictly complied with the requirements of rain and sewage diversion;</li> <li>• The septic tanks of the corresponding scale were built according to the amount of sewage generated;</li> <li>• Ensure that the annual sewage discharge is below standard;</li> </ul>
<b>Waste management</b>	<ul style="list-style-type: none"> <li>• Separated the areas for disposal of different types of wastes on the construction site;</li> <li>• Set up waste pools or movable waste hoppers;</li> <li>• Put in place strict supervision, clear storage guidelines and safety considerations for hazardous wastes in a construction site;</li> </ul>
<b>Noise control</b>	<ul style="list-style-type: none"> <li>• Prioritized the selection of low-noise machinery and construction model;</li> <li>• Installation sound-insulating windows and construction of green insulation zones</li> </ul>

Ronshine China consistently integrates environmental protection into the very core of its project development, striving to ensure the green and sustainability of its projects through systematic environmental impact assessments. Prior to the commencement of every project, we conduct comprehensive environmental impact assessments to forecast potential environmental effects that may arise during the development process, and we undertake in-depth analyses and evaluations of any potential adverse impacts. Throughout the entire lifecycle encompassing development, construction, and operation of a project, we continuously monitor environmental performance and implement effective measures to minimize our impact on the environment. We strictly adhere to the Environmental Impact Assessment Law of the People's Republic of China by conducting environmental impact assessments for our construction sites and surrounding areas, analyzing the environmental changes and the impact of pollutant emissions that may result from construction activities.

## Environmental, Social and Governance Report

### 5.4 Climate Risk and Response<sup>1</sup>

We are committed to enhancing our ability to identify and address climate risks. We continuously improved the climate governance system in accordance with the guidelines related to climate information disclosure in the HKEX Environmental, Social and Governance Reporting Code.

#### Governance

We systematically integrate climate factors into our decision-making and supervision process. The Board is responsible for overall leadership and supervision of ESG work, with the climate change issue within the scope of supervision, including approval the formulation and implementation progress of the overall ESG and climate strategies of the Group, listening to the regular reports of the ESG Task Force to understand the progress of identifying and responding to climate risks and opportunities. The ESG Task Force is responsible for specially promoting and monitoring the implementation of ESG and climate-related work, assisting in overall planning and cross-departmental coordination, and ensuring that climate actions are implemented in all business units at the execution level. During the Reporting Period, we provided climate-related trainings for the Directors.

#### Strategy

Ronshine China has implemented multiple carbon reduction policies and mitigation plans, including optimization of energy utilization to lower operational emissions, establishment of contingency plans to enhance operational resilience, and tracking policies and regulations in a systematic manner to maintain compliance. Looking ahead, we will continue to advance the carbon reduction actions and are actively exploring the feasibility of developing and implementing a systematic climate transition plan to move towards a low-carbon development path in a more strategic manner.

Risk arising from climate change	Physical risks
Examples of risk	Typhoons, floods and storms
Current and potential impacts	<ul style="list-style-type: none"> <li>Increased risk of damage to buildings and facilities and increased maintenance costs</li> <li>Increased employee health and safety risks due to extreme weather conditions, such as employee health risks due to elevated workplace temperatures</li> </ul>
Time horizon <sup>2</sup>	Short-term
Responses	<ul style="list-style-type: none"> <li>Optimization of existing buildings to adapt to the risks and impacts of climate change</li> <li>Provided safety training to employees to enhance their safety awareness</li> <li>Developed contingency plans to ensure timely response in emergencies</li> </ul>

<sup>1</sup> The Group makes disclosures in accordance with climate-related disclosure requirements as set out in Part D of Appendix C2 and based on the principle of “comply or explain”. For the information that was reasonable but was not easily accessible or cannot be measured in a reliable way during the Reporting Period, the Group adopted “reasonable information relief” to ensure that the disclosure would be enhanced year by year.

<sup>2</sup> Based on a comprehensive reference to extensive external industry information and in combination with the actual business operation of the Company, we clarified the time horizon of impact of climate risks and opportunities: short term (less than 5 years), medium-term (5-15 years) and long-term (more than 15 years).

## Environmental, Social and Governance Report

Risk arising from climate change	Transition risks
Examples of risk	The development in global climate change policies and regulations, and stakeholders' concern with climate change
Current and potential impacts	<ul style="list-style-type: none"> <li>Fined by regulatory authorities, increasing operating costs</li> </ul>
Time horizon	Medium-term and long-term
Responses	<ul style="list-style-type: none"> <li>Learned about the latest laws and regulations on climate change to ensure that the Group's operations comply with relevant ESG requirements</li> <li>Conducted carbon audits and proactively responded to climate change</li> </ul>

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Opportunities from climate change	Transition Opportunities
Examples of opportunity	Continuous improvement of energy efficiency
Potential impacts	<ul style="list-style-type: none"> <li>Decreased electricity bills and decreased operating costs</li> </ul>
Time horizon	Medium-term and long-term
Responses	<ul style="list-style-type: none"> <li>Strove to promote the low-carbon management and control in daily operations</li> </ul>

No material risks that will cause the significant adjustment to the carrying amount of assets or liabilities in the next reporting year had been identified through the preliminary assessment during the Reporting Period. As key assumptions and parameters still need to be verified, the disclosure is mainly on qualitative in nature for the current year. In the future, we will gradually expand the scope and improve the quality of quantitative disclosure based on the professional skills and resource allocation we have accumulated to avoid significant impact.

### Risk Management

We attach great importance to the potential impacts of climate-related risks and opportunities and have established a systematic process for identification, assessment, prioritization, and monitoring. We review the relevance of key climate issues every year through a combination of industry analysis, internal discussions and expert consultations and with reference to the climate-related financial information disclosure framework. In the future, we will further integrate climate assessment into the overall risk framework and continuously improve the response measures through regular reviews and dynamic adjustments.

At the executive level, climate-related risk management is currently aligned with the Group's existing operational management and risk management mechanisms. The ESG Task Force provides recommendations on climate-related risks. Management and various functional departments identify and follow up on risk matters during daily operations and compliance management.

## Environmental, Social and Governance Report

### Metrics and Targets

Compared with 2021, greenhouse gas emissions, energy usage, water consumption and waste volume have all decreased in the year, and the related density is affected by the reduction in office area and number of employees. We have consistently disclosed scope 1 and scope 2 greenhouse gas emissions in the ESG reports over the years. At present, we have also conducted preliminary data collection with the relevant departments to identify scope 3 emissions that are material to the Group's business, thereby disclosing in the future.

GHG Emission <sup>3,4</sup>	Units	Year 2025
Direct GHG emissions (Scope 1)	Metric tons of CO <sub>2</sub> equivalent	50.00
Indirect GHG emissions (Scope 2)	Metric tons of CO <sub>2</sub> equivalent	79.88
Total GHG Emissions (Scope 1 and 2)	Metric tons of CO <sub>2</sub> equivalent	129.88
Total emissions per sq.m. (Scope 1 and 2)	Metric tons of CO <sub>2</sub> equivalent per sq.m.	0.04
Per employee (Scope 1 and 2)	Metric tons of CO <sub>2</sub> equivalent per employee	1.01

### Climate-related Targets

We are committed to reducing the environmental impact of operating activities. For more information on the measures we have taken to achieve our environmental targets, please refer to the "Environmental Governance and Practices" of this chapter. Meanwhile, in accordance with the "comply or explain" mechanism under the new climate requirements of the Hong Kong Stock Exchange, the Group is currently unable to provide complete disclosure on climate-related metrics and targets (including cross-industry metrics, internal carbon pricing, remuneration, industry-specific metrics, other climate-related targets and progress applicable to all sectors) within the Reporting Period. Such disclosures will be made in the future based on available data and applicable methodologies.

In accordance with the climate-related disclosure requirements as set out in Part D of Appendix C2, the Group has made disclosures on a "comply or explain" basis. With respect to items for which reasonable information is not readily available or cannot be measured by reliable methods during the Reporting Period, the Group adopts the reasonable information relief and provides specific reasons, efforts made, alternative disclosures and a timetable for supplementation to ensure that the disclosures are retrospective and can be improved year by year.

## 6 SOCIAL RESPONSIBILITIES AND PUBLIC WELFARE

With a strong sense of corporate citizenship, we fully recognize that active engagement in public welfare is essential to social harmony and development, and strive to fulfill social responsibilities through tangible actions. The Group continues to support the development of the public welfare and gives back to society through practical efforts.

<sup>3</sup> The GHG emissions are calculated with reference to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

<sup>4</sup> We apply the operational control approach to define the greenhouse gas emission accounting boundaries and adopt the location-based method for calculation.

## Environmental, Social and Governance Report

## APPENDIX I: SUSTAINABILITY DATA STATEMENTS

Environmental KPIs	Unit	2025
<b>Air Emissions<sup>5,6</sup></b>		
Nitrogen oxides (NO <sub>x</sub> )	kilogram	239.30
Sulfur oxides (SO <sub>x</sub> )	kilogram	0.26
Particulate matter (PM)	kilogram	22.41
<b>GHG Emissions</b>		
Direct GHG emissions (Scope 1)	tonnes CO <sub>2</sub> e	50.00
Indirect GHG emissions (Scope 2)	tonnes CO <sub>2</sub> e	79.88
Total GHG emissions (Scopes 1 & 2)	tonnes CO <sub>2</sub> e	129.88
<b>GHG Emissions Intensity</b>		
Per square meter of floor area (Scopes 1 & 2)	tonnes CO <sub>2</sub> e/square meter	0.04
Each employee (Scopes 1 & 2)	tonnes CO <sub>2</sub> e/employee	1.01
<b>Fuel Consumption</b>		
Fuel consumption by fleets of vehicles	Liter	17,912.10
Natural gas consumption	m <sup>3</sup>	1,020.00
<b>Energy Consumption</b>		
Total energy consumption	kWh	326,468.24
Total energy consumption intensity (per square meter)	kWh/square meter	95.64
Electricity consumption	kWh	150,543.53
Electricity consumption intensity (per square meter)	kWh/square meter	44.10
<b>Water Consumption</b>		
Total water consumption	cubic meter	1,376.00
Total water consumption intensity (per square meter)	cubic meter/square meter	0.40
<b>Hazardous Waste</b>		
Total amount of hazardous waste	tonnes	5.00
Hazardous waste intensity	tonnes/employee	0.04
Waste ink cartridges and waste toner boxes	Piece	82.00
Computers	Piece	5.00
Batteries	Piece	277.00
<b>Non-hazardous Waste</b>		
Total amount of non-hazardous waste	tonnes	9.05
Non-hazardous waste intensity (each employee)	tonnes/employee	0.07
<b>Paper Consumption</b>		
Total paper consumption	kilogram	1,581.34
Total paper consumption intensity	kilogram/employee	12.26

<sup>5</sup> Air emissions from the Group's vehicles.

<sup>6</sup> We calculated the Group's air pollutant emissions with reference to the "How to Prepare an ESG Report—Appendix 2: Reporting Guidance on Environmental KPIs" of the Stock Exchange.

## Environmental, Social and Governance Report

Social	Unit	2025
<b>Employment management</b>		
Total number of employees	Number of people	383
<b>Total number of employees by gender</b>		
Female	Number of people	164
Male	Number of people	219
<b>Total number of employees by employment type</b>		
Full-time junior staff	Number of people	333
Full-time middle management	Number of people	39
Full-time senior management	Number of people	11
<b>Total number of employees by age</b>		
30 or below	Number of people	16
30-50	Number of people	340
50 or above	Number of people	27
<b>Total number of employees by geographical regions</b>		
Employees in North China	Number of people	73
Employees in East China	Number of people	242
Employees in South China	Number of people	43
Other employees (including those in Hong Kong, Macao and Taiwan)	Number of people	25
<b>Employee turnover rate<sup>7</sup></b>		
Total employee turnover rate	%	31.36
<b>Employee turnover rate by gender</b>		
Female	%	28.70
Male	%	32.82
<b>Employee turnover rate by age</b>		
30 or below	%	44.83
30-50	%	31.73
50 or above	%	6.90
<b>Employee turnover rate by geographical regions</b>		
Employees in North China	%	44.27
Employees in East China	%	26.22
Employees in South China	%	27.12
Other employees (including those in Hong Kong, Macao and Taiwan)	%	34.21

<sup>7</sup> Employee turnover rate = number of employees left ÷ (number of employees left + number of employees at the year end) × 100%

## Environmental, Social and Governance Report

Social	Unit	2025
<b>Employee Training<sup>8</sup></b>		
<b>Employee training performance by gender</b>		
Percentage of female employees trained	%	21.95
Percentage of male employees trained	%	78.05
Average training hours of female employees	Hour	6.00
Average training hours of male employees	Hour	6.00
<b>Employee training performance by employment type</b>		
Percentage of full-time junior staff trained	%	63.41
Percentage of full-time middle management trained	%	31.71
Percentage of full-time senior management trained	%	4.88
Average training hours of full-time junior staff trained	Hour	6.00
Average training hours of full-time middle management trained	Hour	6.00
Average training hours of full-time senior management trained	Hour	6.00
<b>Occupational health and safety</b>		
Number of work-related fatalities in 2025	Number of people	0
Number of work-related fatalities in 2024	Number of people	0
Number of work-related fatalities in 2023	Number of people	0
Lost days due to work injury	Day	0

<sup>8</sup> The percentage of trained employees by relevant type: the number of employees trained under this type ÷ the number of employees trained × 100%

## Environmental, Social and Governance Report

## APPENDIX II: HKEX ESG REPORTING GUIDE INDEX

Content of Indicators		Related Section(s)
<b>A. Environmental</b>		
A1: Emissions	General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	A1.1	The types of emissions and respective emissions data.
	A1.3	Total hazardous waste produced and intensity.
	A1.4	Total non-hazardous waste produced and intensity.
	A1.5	Description of emission target(s) set and steps taken to achieve them.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.
		5 ENVIRONMENTAL GOVERNANCE AND PRACTICES
		Appendix I: Sustainability Data Statements
		5.1 Reducing Environmental Burden
		Appendix I: Sustainability Data Statements
		5.1 Reducing Environmental Burden
		Appendix I: Sustainability Data Statements
		5.1 Reducing Environmental Burden
		5.1 Reducing Environmental Burden

## Environmental, Social and Governance Report

Content of Indicators			Related Section(s)
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5 ENVIRONMENTAL GOVERNANCE AND PRACTICES
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	5.1 Reducing Environmental Burden Appendix I: Sustainability Data Statements
	A2.2	Water consumption in total and intensity.	5.1 Reducing Environmental Burden Appendix I: Sustainability Data Statements
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 Reducing Environmental Burden
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.1 Reducing Environmental Burden
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable. The Group's business does not involve packaging materials.
A3: Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	5 ENVIRONMENTAL GOVERNANCE AND PRACTICES
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5 ENVIRONMENTAL GOVERNANCE AND PRACTICES

## Environmental, Social and Governance Report

Content of Indicators		Related Section(s)
<b>B.Social</b>		
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.
	B1.1	Total workforce by gender, employment type, age group and geographical region.
	B1.2	Employee turnover rate by gender, age group and geographical region.
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.
	B2.2	Lost days due to work injury.
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
	B3.2	The average training hours completed per employee by gender and employee category.
		4 HUMAN RESOURCE MANAGEMENT 4.1 Lawful Employment Appendix I: Sustainability Data Statements Appendix I: Sustainability Data Statements 4.3 Employee Safety and Health Appendix I: Sustainability Data Statements Appendix I: Sustainability Data Statements 4.3 Employee Safety and Health 4.2 Employee Empowerment and Development Appendix I: Sustainability Data Statements Appendix I: Sustainability Data Statements

## Environmental, Social and Governance Report

Content of Indicators		Related Section(s)	
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Lawful Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Lawful Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Lawful Employment
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.4 Supply Chain Assessment and Oversight
	B5.1	Number of suppliers by geographical region.	3.4 Supply Chain Assessment and Oversight
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.4 Supply Chain Assessment and Oversight
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.4 Supply Chain Assessment and Oversight
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.4 Supply Chain Assessment and Oversight
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3 RONSHINE QUALITY BUILT WITH INGENUITY 3.1 Customer Orientation 3.3 Network and Information Security
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3 RONSHINE QUALITY BUILT WITH INGENUITY

## Environmental, Social and Governance Report

Content of Indicators		Related Section(s)	
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Customer Orientation
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.2 Integrity Governance
	B6.4	Description of quality assurance process and recall procedures.	3.1 Customer Orientation
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.3 Network and Information Security
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	3.2 Integrity Governance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	3.2 Integrity Governance
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.2 Integrity Governance
	B7.3	Description of anti-corruption training provided to directors and staff.	3.2 Integrity Governance
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6 Social Responsibilities and Public Welfare
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Social Responsibilities and Public Welfare
	B8.2	Resources contributed to the focus area.	6 Social Responsibilities and Public Welfare

## Environmental, Social and Governance Report

**Part D: Climate-related Disclosures**

<b>Disclosure Pillars</b>	<b>Disclosure requirements</b>	<b>Related Section (s)</b>
(I) Governance	<p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(ies) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	5.4 Climate Risk and Response
(II) Strategy	<p><b>20. Climate-related risks and opportunities</b> An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.</p> <p><b>21. Business model and value chain</b> An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.</p> <p><b>22. Strategy and decision-making</b> An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.</p> <p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>5.4 Climate Risk and Response</p> <p>Reasonable information relief - due to our failure of determination regarding the scope of the value chain on the reporting date, based on all reasonable and substantiated information that could have been obtained without undue costs or efforts.</p> <p>5.4 Climate Risk and Response</p> <p>The Group is in the process of collecting climate-related information and therefore has not yet disclosed any climate-related transition plans.</p>

## Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Disclosure Pillars	Disclosure requirements	Related Section (s)
	<p><b>24. Financial position, financial performance and cash flows</b></p> <p><b>Current financial effect</b></p> <p>An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p>	5.4 Climate Risk and Response
	<p><b>25. Anticipated financial effect</b></p> <p>The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial performance to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration following factors; and</p> <p>(b) how the issuer expects its financial results and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	Capabilities Relief – We does not have sufficient skills, capabilities and resources to prepare the disclosure.
	<p><b>26. Climate resilience</b></p> <p>An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.</p>	Reasonable information relief

## Environmental, Social and Governance Report

## Part D: Climate-related Disclosures

Disclosure Pillars	Disclosure requirements	Related Section (s)
(III) Risk Management	<p>27. An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.</p> <p>(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	5.4 Climate Risk and Response
(IV) Metrics and Target	<p><b>28. Greenhouse gas emissions</b></p> <p>An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as:</p> <p>(a) Scope 1 greenhouse gas emissions;</p> <p>(b) Scope 2 greenhouse gas emissions; and</p> <p>(c) Scope 3 greenhouse gas emissions.</p> <p>29. An issuer shall:</p> <p>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</p> <p>(b) disclose the approach it uses to measure its greenhouse gas emissions;</p> <p>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</p> <p>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	<p>5.4 Climate Risk and Response</p> <p>Scope 3 carbon emissions: reasonable information relief - our failure of obtaining all reasonable and substantiated information without undue costs or efforts on the reporting date.</p> <p>5.4 Climate Risk and Response</p> <p>Scope 3 carbon emissions: reasonable information relief - our failure of obtaining all reasonable and substantiated information without undue costs or efforts on the reporting date.</p>

## Environmental, Social and Governance Report

## Part D: Climate-related Disclosures

Disclosure Pillars	Disclosure requirements	Related Section (s)
	<p><b>30. Climate-related transition risks</b></p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	Reasonable information relief – our failure of obtaining all reasonable and substantiated information without undue costs or efforts on the reporting date.
	<p><b>31. Climate-related physical risks</b></p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	Reasonable information relief – our failure of obtaining all reasonable and substantiated information without undue costs or efforts on the reporting date.
	<p><b>32. Climate-related opportunities</b></p> <p>An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	Reasonable information relief – our failure of obtaining all reasonable and substantiated information without undue costs or efforts on the reporting date.
	<p><b>33. Capital deployment</b></p> <p>An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	The Group will further identify relevant data and optimize disclosures.
	<p><b>34. Internal carbon prices</b></p> <p>An issuer shall disclose:</p> <p>(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	Negative Statement – The Group currently does not adopt internal carbon pricing in its decision-making, but will explore the feasibility of implementation in the future.

## Environmental, Social and Governance Report

## Part D: Climate-related Disclosures

Disclosure Pillars	Disclosure requirements	Related Section (s)
	<p><b>35. Remuneration</b></p> <p>An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	<p>Negative Statement –</p> <p>We have not yet incorporated climate-related factors into the remuneration of senior management, and will explore the possibility of adoption in the future.</p>
	<p><b>36. Industry-based metrics</b></p> <p>An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.</p>	<p>Reasonable information relief – our failure of obtaining all reasonable and substantiated information without undue costs or efforts on the reporting date.</p>
	<p><b>37. Climate-related targets</b></p> <p>An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.</p>	<p>5.4 Climate Risk and Response</p>
	<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.</p>	<p>5.4 Climate Risk and Response</p>
	<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	<p>5.4 Climate Risk and Response</p>
	<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39.</p>	<p>5.4 Climate Risk and Response</p>
	<p><b>41. Applicability of cross-industry metrics and industry-based metrics</b></p> <p>In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	<p>We do not currently publish any cross-industry or industry-based metrics, but we will explore its feasibility in the future.</p>

# INDEPENDENT AUDITOR'S REPORT



## **KTC Partners CPA Limited**

*Certified Public Accountants (Practising)*

中瑞和信會計師事務所有限公司

### **To the Shareholders of Ronshine China Holdings Limited**

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

## Disclaimer of opinion

We were engaged to audit the consolidated financial statements of Ronshine China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 118 to 219, which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## Basis for disclaimer of opinion

### **Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements**

We draw attention to note 2.1 to the consolidated financial statements, which stated that the Group incurred a loss attributable to owners of the Company of approximately RMB9,958,491,000 for the year ended 31 December 2025, and, as at 31 December 2025, the Group recorded a net current liabilities and net liabilities of approximately RMB20,196,761,000 and RMB6,745,149,000 respectively. As at 31 December 2025, the Group had borrowings in total of approximately RMB37,594,047,000, out of which approximately RMB33,513,645,000 was included in current liabilities, while its current portion of cash and cash equivalents and term deposits (excluding restricted cash) amounted to approximately RMB1,198,675,000 only.

As at 31 December 2025, the Group had certain indebtedness, including senior notes, corporate bonds and bank and other borrowings, with an aggregate carrying amount of approximately RMB26,164,767,000 that were defaulted or cross-defaulted. Furthermore, certain parties have initiated litigations against the Group to settle outstanding borrowings, unpaid construction cost, etc., involving an aggregated subject amount of approximately RMB4.7 billion, details of which are set out in Note 31(b) to the consolidated financial statements.

## Independent Auditor's Report

### Basis for disclaimer of opinion (continued)

#### **Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements (continued)**

These events and conditions, together with other matters set out in Note 2.1 to the consolidated financial statements, cast significant doubt on the Group's ability to continue as a going concern.

As detailed in Note 2.1 to the Consolidated Financial Statements, in assessing the appropriateness of the use of the going concern basis in the preparation of these consolidated financial statements, the directors of the Company have prepared cash flow forecasts covering a period of 12 months from the date of approval of the consolidated financial statements which take into account of the plans and measures being taken by the Group to improve the Group's liquidity and financial position as set out in Note 2.1 to the consolidated financial statements. Based on the assessment made by the directors of the Company, assuming that the plans and measures for future actions can be successfully implemented or executed as scheduled, the directors are of the view that the Group is able to continue as a going concern and it is appropriate to prepare the consolidated financial statements on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the successful eventual outcome of the plans and measures for future actions, as follows:

- (i) successfully renewing or extending certain existing borrowings and securing new sources of financing from various banks and financial institutions;
- (ii) successfully implementing measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;
- (iii) successfully controlling administrative costs and maintaining containment of capital expenditures;
- (iv) successfully formulating feasible solutions with overseas creditors so as to seek a holistic solution to the relevant debts with the assistance from financial advisors.

The directors of the Company are in the opinion that, based on the assumption that the plans and measures for future actions described in Note 2.1 to the consolidated financial statements would improve the liquidity and financial position of the Group, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025 and would be able to continue as a going concern. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

## Independent Auditor's Report

### Basis for disclaimer of opinion (continued)

#### **Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements (continued)**

However, the appropriateness of the management's use of the going concern basis of accounting in the preparation of the consolidated financial statements depends on the reliability of the underlying data generated to prepare the forecasts and adequacy of support for the assumptions underlying the forecasts, including the feasibility of the plans and measures for future actions referred to above. We were unable to obtain sufficient appropriate evidence to satisfy ourselves that the assumptions underlying the forecasts, including the feasibility of the management's plans and measures for future actions to deal with these events and conditions, were reasonable and supportable. There were no alternative audit procedures that we could perform to obtain sufficient appropriate audit evidence to support the feasibility of the above plans and measures and whether they can be successfully implemented. As a result, we were unable to obtain sufficient appropriate evidence to conclude whether the directors' use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements and we were unable to determine whether such adjustments were necessary.

### Responsibilities of directors and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Independent Auditor's Report

### Auditor's responsibilities for the audit of the consolidated financial statements

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

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KTC Partners CPA Limited  
*Certified Public Accountants (Practising)*  
CHOW Yiu Wah, Joseph  
Audit Engagement Director  
Practising Certificate Number: P04686

Hong Kong, 31 March 2026

# CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	7,107,576	29,781,887
Cost of sales	7	(11,825,569)	(29,447,513)
<b>Gross (loss)/profit</b>		<b>(4,717,993)</b>	334,374
Selling and marketing costs	7	(179,436)	(307,783)
Administrative expenses	7	(540,417)	(606,884)
Net impairment losses on financial assets	7	(3,585,756)	(3,808,945)
Fair value losses on investment properties	17	(148,655)	(532,504)
Other income	9	83,207	51,429
Other losses, net	9	(623,355)	(2,404,587)
<b>Operating loss</b>		<b>(9,712,405)</b>	(7,274,900)
Finance income	10	20,200	45,790
Finance costs	10	(2,272,856)	(2,683,407)
Finance costs – net	10	(2,252,656)	(2,637,617)
Share of net profit of investments accounted for using the equity method	12(a)(ii)	45,151	146,562
<b>Loss before income tax</b>		<b>(11,919,910)</b>	(9,765,955)
Income tax expense	13	(563,112)	(1,792,084)
<b>Loss for the year</b>		<b>(12,483,022)</b>	(11,558,039)
<b>(Loss)/Profit for the year attributable to:</b>			
— Owners of the Company		(9,958,491)	(12,002,306)
— Non-controlling interests		(2,524,531)	444,267
		<b>(12,483,022)</b>	(11,558,039)
<b>Loss per share for loss attributable to owners of the Company (expressed in RMB per share)</b>			
— Basic loss per share	14	(5.92)	(7.13)
— Diluted loss per share	14	(5.92)	(7.13)

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 RMB'000	2024 RMB'000
<b>Loss and total comprehensive loss for the year</b>	<b>(12,483,022)</b>	(11,558,039)
<b>Total comprehensive loss for the year attributable to:</b>		
— Owners of the Company	<b>(9,958,491)</b>	(12,002,306)
— Non-controlling interests	<b>(2,524,531)</b>	444,267
	<b>(12,483,022)</b>	(11,558,039)

# CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	927,836	993,045
Investment properties	17	11,526,500	11,243,202
Right-of-use assets	16	348,807	362,157
Intangible assets		1,606	1,606
Investments accounted for using the equity method	12	5,657,245	6,789,039
Financial assets at fair value through profit or loss	18	421,160	419,331
<b>Total non-current assets</b>		<b>18,883,154</b>	19,808,380
<b>Current assets</b>			
Properties under development	20	21,863,958	27,342,143
Completed properties held for sale	20	13,114,604	20,078,309
Contract assets and contract costs	22	577,707	593,580
Trade and other receivables and prepayments	23	17,630,982	20,908,900
Amounts due from related parties	35	2,630,146	3,232,508
Prepaid taxation		3,789,200	4,112,505
Financial assets at fair value through profit or loss	18	95,428	107,404
Term deposits	21	99,853	130,603
Restricted cash	21	1,393,107	2,018,250
Cash and cash equivalents	21	1,098,822	1,253,421
<b>Total current assets</b>		<b>62,293,807</b>	79,777,623
<b>Total assets</b>		<b>81,176,961</b>	99,586,003
<b>EQUITY</b>			
Share capital	24	15	15
Share premium	24	3,082,681	3,082,681
Other reserves	25	(24,794,959)	(14,836,468)
<b>Equity attributable to owners of the Company</b>		<b>(21,712,263)</b>	(11,753,772)
Non-controlling interests		14,967,114	18,628,080
<b>Total (deficit)/equity</b>		<b>(6,745,149)</b>	6,874,308

Consolidated Balance Sheet  
AS AT 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	26	4,080,402	7,988,991
Deferred tax liabilities	27	1,351,140	1,300,653
<b>Total non-current liabilities</b>		<b>5,431,542</b>	9,289,644
<b>Current liabilities</b>			
Borrowings	26	33,513,645	30,551,151
Contract liabilities	22	11,122,804	15,403,501
Trade and other payables	29	25,875,386	25,155,253
Amounts due to related parties	35	6,007,095	5,784,740
Current tax liabilities		5,971,638	6,527,406
<b>Total current liabilities</b>		<b>82,490,568</b>	83,422,051
<b>Total liabilities</b>		<b>87,922,110</b>	92,711,695
<b>Total equity and liabilities</b>		<b>81,176,961</b>	99,586,003

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

The consolidated financial statements on pages 118 to 219 were approved and authorised for issue by the Board of Directors of the Company on 31 March 2026 and were signed on its behalf by:

**Ou Zonghong**  
Director

**Zeng Feiyan**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 24)	Share premium RMB'000 (Note 24)	Capital reserves RMB'000 (Note 25(a))	Statutory reserves RMB'000	Retained earnings RMB'000	Total RMB'000		
<b>Balance at 1 January 2025</b>	15	3,082,681	78,347	2,016,256	(16,931,071)	(11,753,772)	18,628,080	6,874,308
<b>Comprehensive income</b>								
Loss for the year	—	—	—	—	(9,958,491)	(9,958,491)	(2,524,531)	(12,483,022)
Other comprehensive income	—	—	—	—	—	—	—	—
<b>Total comprehensive income</b>	—	—	—	—	(9,958,491)	(9,958,491)	(2,524,531)	(12,483,022)
Disposal of subsidiaries (Note 34(a))	—	—	—	—	—	—	(503,327)	(503,327)
Capital injections from non-controlling interests	—	—	—	—	—	—	6,000	6,000
Capital reduction of the subsidiaries	—	—	—	—	—	—	(248,675)	(248,675)
Dividends distribution to non-controlling interests	—	—	—	—	—	—	(390,433)	(390,433)
Transfer to statutory reserves	—	—	—	8,840	(8,840)	—	—	—
<b>Balance at 31 December 2025</b>	15	3,082,681	78,347	2,025,096	(26,898,402)	(21,712,263)	14,967,114	(6,745,149)

## Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 24)	Share premium RMB'000 (Note 24)	Capital reserves RMB'000 (Note 25(a))	Statutory reserves RMB'000	Retained earnings RMB'000	Total RMB'000		
<b>Balance at 1 January 2024</b>	15	3,082,681	78,347	1,992,470	(4,904,979)	248,534	22,539,493	22,788,027
<b>Comprehensive income</b>								
Loss for the year	—	—	—	—	(12,002,306)	(12,002,306)	444,267	(11,558,039)
Other comprehensive income	—	—	—	—	—	—	—	—
<b>Total comprehensive income</b>	—	—	—	—	(12,002,306)	(12,002,306)	444,267	(11,558,039)
Disposal of subsidiaries (Note 34(a))	—	—	—	—	—	—	(2,430,098)	(2,430,098)
Capital injections from non-controlling interests	—	—	—	—	—	—	800	800
Capital reduction of the subsidiaries	—	—	—	—	—	—	(919,593)	(919,593)
Dividends distribution to non-controlling interests	—	—	—	—	—	—	(1,006,789)	(1,006,789)
Transfer to statutory reserves	—	—	—	23,786	(23,786)	—	—	—
<b>Balance at 31 December 2024</b>	15	3,082,681	78,347	2,016,256	(16,931,071)	(11,753,772)	18,628,080	6,874,308

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	30(a)	1,690,652	(358,074)
PRC corporate income tax paid		(639,966)	(421,235)
PRC land appreciation tax paid		(550,435)	(278,427)
Net cash generated from/(used in) operating activities		500,251	(1,057,736)
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment and investment properties		(433,310)	(868)
Payments for purchase of intangible assets		—	(395)
Proceeds from disposal of property, plant and equipment		581	680
Dividends from associates and joint ventures		149,549	—
Capital injection to associates and joint ventures		(37,300)	—
Payments for acquisition of financial assets at fair value through profit and loss		(163,900)	(850,000)
Proceeds from disposal of financial assets at fair value through profit and loss		177,000	1,027,823
Interest received		53,130	64,406
Cash advances to related parties		(172,732)	(149,338)
Repayments from related parties		775,094	340,154
Decrease in term deposits		30,750	22,097
Proceeds from disposal of associates and joint ventures		53,795	66,583
Net cash inflow from disposal of subsidiaries		71,324	49,821
Net cash generated from investing activities		503,981	570,963

Consolidated Statement of Cash Flows  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Cash flows used in financing activities</b>			
Repayments of borrowings	30(c)	(392,308)	(1,210,509)
Cash advances from related parties	30(c)	1,541,529	276,895
Repayments to related parties	30(c)	(1,319,174)	(118,204)
Capital injection from non-controlling interests		6,000	800
Capital reduction of the subsidiaries		(248,675)	(160,000)
Interest paid		(22,335)	(134,414)
Dividends paid to non-controlling interests in subsidiaries		(390,433)	(45,432)
Principal elements of lease payments	30(c)	—	(14,868)
Net cash used in financing activities		(825,396)	(1,405,732)
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year		1,253,421	3,392,420
Effect of foreign exchange rate changes		(333,435)	(246,494)
<b>Cash and cash equivalents at end of the year</b>		<b>1,098,822</b>	<b>1,253,421</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 1 General information

Ronshine China Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 11 September 2014 as an exempted company with limited liability under the Companies Act, Cap.22 of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal activity is investment holding. The Company and its subsidiaries (together the “Group”) are principally engaged in property development business in the People’s Republic of China (the “PRC”).

The immediate holding company and ultimate holding company of the Company are Dingxin Company Limited (“Dingxin”) and TMF (Cayman) Limited, respectively. The ultimate controlling shareholder of the Company is Mr. Ou Zonghong (“Mr. Ou”).

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13 January 2016.

Unless otherwise indicated, these consolidated financial statements are presented in thousand Renminbi (“RMB’000”).

## 2 Basis of preparation of consolidated financial statements and material accounting policy information

### 2.1 Basis of preparation

**(a) Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (“HKCO”)**

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the HKCO.

**(b) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and investment properties, which are measured at fair value.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.1 Basis of preparation (continued)

#### (c) Going concern basis

For the year ended 31 December 2025, the Group incurred a loss for the year of approximately RMB12,483,022,000. As at 31 December 2025, the Group recorded net current liabilities and net liabilities of RMB20,196,761,000 and RMB6,745,149,000 respectively, and the Group's current portion of borrowings amounted to RMB33,513,645,000, while its cash and cash equivalents and term deposits (excluding restricted cash) amounted to RMB1,198,675,000 only.

Since the second half of 2021, the business environment of China's real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry's business environment. At the same time, the outbreak of the COVID-19 pandemic in Shanghai and other cities has brought enormous pressure on the Group's operations, which has imposed prolonged impact on the Group. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from its properties and/or to obtain cash from external financing to meet its loan repayment obligations. Although the Company has endeavoured to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group's operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

As of 31 December 2025, the Company has not paid the principal amounts and interests of the senior notes due 25 October 2022 (ISIN: XS1976760782 and Common Code: 197676078) (the "October 2022 Notes"), due 22 January 2023 (ISIN:XS2031469732 and Common Code: 203146973) (the "January 2023 Notes"), due 9 June 2023 (ISIN: XS2090949160 and Common Code: 209094916) (the "June 2023 Notes"), due 25 December 2023 (ISIN: XS2189303873 and Common Code: 218930387) (the "December 2023 Notes"), due 5 August 2024 (ISIN: XS2211514885 and Common Code: 221151488) (the "August 2024 Notes") and due 25 January 2025 (ISIN: XS2290308845 and Common Code: 229030884) (the "January 2025 Notes"). The total outstanding principal amount of these senior notes is approximately RMB14,489,681,000.

If such non-payment continues, holders of at least 25% of the aggregate principal amount of the relevant outstanding senior notes at that time may, by written notice to the Company or the trustee, require the Company to pay the principal and accrued interest of the relevant outstanding senior notes immediately. As of the date of approval of these consolidated financial statements, the Company has not received any notice regarding accelerated repayment from the relevant trustee or holders of all the aforementioned senior notes.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.1 Basis of preparation (continued)

#### (c) Going concern basis (continued)

As at 31 December 2025, the Group did not repay the principal and/or interest of certain borrowings of approximately RMB32,914,260,000 (inclusive of principal and interest) according to their scheduled repayment dates, and borrowings with the aggregate principal amount of RMB26,164,767,000 had become default. In addition, certain parties have initiated litigations against the Group to settle outstanding borrowings, unpaid construction cost, etc., involving an aggregated subject amount of approximately RMB4.7 billion, details of which are set out in Note 31(b) to the consolidated financial statements. Subsequent to 31 December 2025, the Group did not repay certain other bank borrowings or other borrowings according to the scheduled repayment dates.

If the Group fails to perform the obligations of repaying the debts due and cannot agree on a consensual solution to the corresponding indebtedness with creditors in a timely manner, it may cause the relevant creditors to demand accelerated repayment of the obligations of the relevant debts or take enforcement actions.

The above events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of the aforesaid, the directors of the Company (the "Directors") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) the Group is actively negotiating with several financial institutions and lenders on the renewal of certain borrowings, and has been negotiating with various banks and financial institutions to secure new sources of financing;
- (ii) the Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;
- (iii) the Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures; and
- (iv) the Group has engaged Haitong International Capital Limited as its financial advisor for overseas debt management to initiate relevant preliminary work, and intends to explore various feasible solutions with overseas creditors so as to seek a holistic solution to the relevant debts.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.1 Basis of preparation (continued)

#### (c) Going concern basis (continued)

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

Notwithstanding the above, given the volatility of the property sector in China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

#### (d) Material accounting policies

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss and investment properties, which are measured at fair value.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRS accounting standards, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.1 Basis of preparation (continued)

#### (e) Application of amendments to HKFRS accounting standards

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### (f) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to IAS 21	Translator to a Hyper inflationary Presentation Currency <sup>3</sup>

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.1 Basis of preparation (continued)

#### (f) **New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)**

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

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over 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.

##### (a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(a) *Business combinations (continued)*

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interest and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group 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. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is 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 HKFRS Accounting Standards.

## Notes to the Consolidated Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.2 Separate financial statements

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

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

### 2.3 Equity method, associates and joint arrangements

#### (a) Equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates or joint ventures include goodwill identified on acquisitions. Upon the acquisitions of the ownership interests in associates or joint ventures, any differences between the cost of the associate or joint venture and the Group's share of the net fair value of the associate's or joint ventures' identifiable assets and liabilities are accounted for as goodwill.

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

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investments. When the Group's share of losses in the associate or joint venture equals or exceeds its interests in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When an objective evidence exists, the Group calculates the amount of impairment as the difference between the recoverable amounts of the associate or joint venture and their carrying values and recognises the amounts adjacent to "share of net profit of investments accounted for using the equity method" in the consolidated income statement.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.3 Equity method, associates and joint arrangements (continued)

#### (a) Equity method (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate or joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution of equity interests in the associate or joint ventures are recognised in the consolidated income statement.

#### (b) Associate

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially recognised at cost.

#### (c) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control and over which none of the participating parties has unilateral control. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint venture is accounted for using the equity method.

### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.5 Foreign currency translation

#### (a) 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"). These consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations when items are re-measured. 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 consolidated income statement except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to cash and bank balances and borrowings are presented in the consolidated income statement, within "finance income/(costs) – net". All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within "other gains – net".

### 2.6 Property, plant and equipment

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Buildings	20 years
Office equipment	3-5 years
Motor vehicles	4 years
Leasehold improvements and furniture, fitting and equipment	2-13 years

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.6 Property, plant and equipment (continued)

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in consolidated income statement.

### 2.7 Intangible assets

#### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4 to 10 years.

### 2.8 Investment properties

Investment property, principally comprising 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. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs 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. Changes in fair values are recorded in the consolidated income statement within "fair value gains/(losses) on investment properties".

### 2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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 inflows which are largely independent of the cash inflows from other assets or groups of assets ("cash-generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.10 Investments and other financial assets

#### Classification

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

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

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

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

#### Measurement

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

#### Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gain-net" together with foreign exchange gains and losses.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.10 Investments and other financial assets (continued)

#### Debt instruments (continued)

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

#### Equity investments

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

Changes in the fair value of FVPL are recognised in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVPL are not reported separately from other changes in fair value.

#### Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

The Group applies the simplified approach permitted by HKFRS 9, which uses expected lifetime losses to be recognised from initial recognition of the assets for trade receivables and contract assets.

Impairment on other financial assets including other receivables and amounts due from related parties is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 2.12 Leases

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

The Group leases only offices for long-term contracts. Rental contracts are typically made for fixed periods of 2 to 4 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, but leased assets may not be used as security for borrowing purposes.

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

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

To determine the incremental borrowing rate, the Group 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.

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

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.12 Leases (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.

Right-of-use assets consist of properties and land use rights.

Payments associated with short-term leases and 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.

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

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

### 2.13 Land use rights

All land in the PRC is state-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and included in properties under development or completed properties held for sale and measured at lower of cost and net realisable value, of which those within normal operating cycle are classified as current assets, while those out of the normal operating cycle are classified as non-current assets. Land use rights to be developed for hotel properties and self-use buildings, are non-current assets, which are stated at cost and subsequently amortised in the consolidated income statement on a straight-line basis over the operating lease periods. Land use rights to be developed for investment properties are accounted for as part of investment properties.

## Notes to the Consolidated Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

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

Properties under development and 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. Upon completion, the properties are transferred to completed properties held for sale.

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

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

### 2.15 Trade and other receivables and amounts due from related parties

Trade receivables are amounts due from customers for properties sold and services provided in the ordinary course of business. If collection of trade and other receivables and amounts due from related parties 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 and other receivables and amounts due from related parties are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### 2.16 Cash and bank balances

Cash and bank balances includes cash and equivalents, term deposits and restricted cash. Cash and cash equivalents includes cash on hand and deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Term deposits mainly refers to the bank deposits with initial term of over three months but within one year. Restricted cash is the bank deposits which are restricted to use. Restricted cash are excluded from cash and cash equivalents in consolidated statement of cash flows.

### 2.17 Trade and other payables and amounts due to related parties

Trade payables are obligations to pay for construction costs or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables and amounts due to related parties 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 and amounts due to related parties are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.18 Borrowings and borrowing costs

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 consolidated 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 an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, like properties under development, assets under construction and investment properties under construction, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the 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.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates 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.

#### (b) Deferred income tax

Deferred income tax is recognised, 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, the deferred income tax is 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. Deferred income tax is determined using the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.20 Employee benefits

#### (a) Pension obligations

The Group companies incorporated in the PRC contribute based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made.

Contributions to these defined contribution plans are expensed as incurred.

#### (b) Housing benefits

PRC employees of the Group are entitled to participate in government-sponsored housing funds. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds are expensed as incurred.

#### (c) 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.

### 2.21 Share-based payments

Share-based compensation benefits are provided to directors and employees via the Group.

#### Share options

The fair value of options granted by the Group is recognised as a director and employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.22 Provisions and contingent liabilities

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 the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

### 2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

#### (a) Sales of properties

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.23 Revenue recognition (continued)

#### (a) Sales of properties (continued)

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

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

#### (b) Construction services

For construction services, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time based on the progress towards complete satisfaction of construction services, by reference to the Group's efforts or inputs to the satisfaction of construction services relative to the total expected efforts or input.

#### (c) Rental income

Rental income from investment property is recognised in the consolidated income statement on a straight-line basis over the term of the lease.

#### (d) Hotel operation income

Hotel operation income is recognised when the related services are rendered.

#### (e) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### (f) 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.

### 2.24 Interest income

Interest income is presented as finance income where it is earned from bank deposits and is recognised using the effective interest method.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 Basis of preparation of consolidated financial statements and material accounting policy information (continued)

### 2.25 Dividend income

Dividends are received from FVPL. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. However, the investment may need to be tested for impairment as a consequence.

### 2.26 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.27 Financial guarantee contracts

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

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

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

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

### 2.28 Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 2.29 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.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 Financial risk management

### 3.1 Financial risk factors

#### (a) Market risk

##### (i) Foreign exchange risk

The Group operates in the PRC with most transactions being settled in RMB, which is the functional currency of the Group companies, except for certain transactions which are settled in foreign currencies. As at 31 December 2025, major non-RMB assets and liabilities are cash and bank balances, senior notes and bank borrowings denominated in United State Dollars (“US\$”) or Hong Kong Dollars (“HK\$”). Fluctuation of the exchange rates of RMB against foreign currency could affect the Group’s results of operations. As at 31 December 2025, the Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

The Group’s foreign currency denominated monetary assets and liabilities as at 31 December 2025 amounted to approximately RMB1,047,099,000 and RMB14,495,030,000, respectively (2024: RMB1,076,685,000 and RMB15,023,281,000, respectively).

The following table shows the sensitivity analysis in RMB against relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% appreciation/depreciation in RMB against the relevant currencies, respectively, the effect of decrease/(increase) on the loss for the year is:

	2025 RMB’000	2024 RMB’000
5% appreciation in RMB against:		
— US\$	668,276	694,452
— HK\$	4,076	3,722
5% depreciation in RMB against:		
— US\$	(668,276)	(694,452)
— HK\$	(4,076)	(3,722)

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk (continued)

##### (ii) Interest rate risk

The Group's interest rate risk arises from long-term 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 but will consider hedging interest rate risk should the need arise.

As at 31 December 2025, if interest rates on borrowings at floating rates had been 100 basis points higher or lower with all other variables held constant, interest charges for the year ended 31 December 2025 would increase/decrease RMB108,711,000 (2024: RMB123,148,000), most of which would have been capitalised in qualified assets.

#### (b) Credit risk and impairment assessment

The Group is exposed to credit risk in the event of the counterparties' failure to perform their obligation in relation to its contract assets, amounts due from related parties, trade and other receivables and cash deposits with banks and financial guarantee contracts. The Group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of cash and bank balances, trade and other receivables, amounts due from related parties and contract assets shown in the consolidated balance sheet, and the maximum outstanding amount of financial guarantee provided by the Group as disclosed in Note 31.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the financial situation of individual property owner or the debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status and operating results of debtor and individual property owner. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (b) Credit risk and impairment assessment (continued)

##### (i) Cash deposits at banks

As at 31 December 2025, substantially all the Group's bank deposits included in cash and bank balances were deposited with major financial institutions incorporated in the PRC, which management believes are of high credit quality without significant credit risk. The Group's bank deposits as at 31 December 2025 were as follows:

	2025 RMB'000	2024 RMB'000
Big four commercial banks of the PRC (Note (i))	906,169	1,342,920
Other listed banks in the PRC	1,626,456	1,876,600
Other non-listed banks in the PRC	58,864	182,468
	<b>2,591,489</b>	3,401,988

Note (i): Big four commercial banks include Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China and Bank of China.

##### (ii) Trade receivables and contract assets

The Group's trade receivables mainly arise from sales of properties. Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default; it also has monitoring procedures to ensure that follow-up actions are taken to recover overdue balances. The Group has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets, which is calculated using probability of default model. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days of initial recognition.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk and impairment assessment (continued)

###### (ii) Trade receivables and contract assets (continued)

The estimated credit loss rates are estimated based on default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables:

	Within one year	One to three years	Over three years	Total
<b>At 31 December 2025</b>				
Expected credit loss rate (%)	0.08%	16.24%	58.20%	–
Gross carrying amount (RMB'000)	56,946	15,094	12,641	84,681
Lifetime ECL (RMB'000)	43	2,452	7,358	9,853
<b>At 31 December 2024</b>				
Expected credit loss rate (%)	0.09%	4.03%	51.80%	–
Gross carrying amount (RMB'000)	8,017	28,361	–	36,378
Lifetime ECL (RMB'000)	8	1,142	–	1,150

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk and impairment assessment (continued)

###### (iii) *Other receivables and amounts due from related parties*

Other financial assets at amortised cost include other receivables and amounts due from related parties. The Group uses the expected credit loss model to determine the expected loss provision for other receivables and amounts due from related parties.

The Group assessed the credit quality of the counter parties by taking into account their financial position, credit history and other factors. The other receivables are mainly amounts due from non-controlling interests, deposits for acquisition of the land use rights and property development projects. Except for certain balance which are credit-impaired or doubtful, management considered these receivables to be low credit risk as they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Besides, management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk and impairment assessment (continued)

###### (iii) Other receivables and amounts due from related parties (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on aging and/or past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024. The amounts presented are the gross carrying amounts for financial assets.

2025	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000
<b>Financial assets at amortised costs</b>				
Cash and cash equivalents	21	N/A	12-month ECL	1,098,822
Term deposits	21	N/A	12-month ECL	99,853
Restricted cash	21	N/A	12-month ECL	1,393,107
Trade receivables	23	(note i)	Lifetime ECL	84,681
Other receivables and deposits	23	Normal (note ii)	12-month ECL	3,765,803
		Doubtful (note ii)	Lifetime ECL	4,814,325
		Credit Impaired (note ii)	Lifetime ECL	10,592,347
Amounts due from related parties	35	Normal	12-month ECL	2,630,146

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk and impairment assessment (continued)

(iii) Other receivables and amounts due from related parties (continued)

2024	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000
<b>Financial assets at amortised costs</b>				
Cash and cash equivalents	21	N/A	12-month ECL	1,253,421
Term deposits	21	N/A	12-month ECL	130,603
Restricted cash	21	N/A	12-month ECL	2,018,250
Trade receivables	23	(note i)	Lifetime ECL	36,378
Other receivables and deposits	23	Normal (note ii)	12-month ECL	2,928,197
		Doubtful (note ii)	Lifetime ECL	10,585,286
		Credit Impaired (note ii)	Lifetime ECL	6,320,173
Amounts due from related parties	35	Normal	12-month ECL	3,232,508

Notes:

- (i) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.
- (ii) The credit quality of the financial assets included in other receivables are considered to be "normal" when they are aged within 1 year and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered as "doubtful". Financial assets are "Credit Impaired" when one or more events of default that have a detrimental impact on the estimated future cash flow of that financial asset have occurred.

For the purposes of internal credit risk management, the Group uses past due and/or aging information to assess whether credit risk has increased significantly since initial recognition.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk and impairment assessment (continued)

###### (iii) Other receivables and amounts due from related parties (continued)

	Average loss rate	Within 1 year RMB'000	Average loss rate	One to three years RMB'000	Average loss rate	Credit impaired RMB'000
<b>At 31 December 2025</b>						
Other receivables and deposits	0.03%	3,765,803	16.19%	4,814,325	60.5%	10,592,347
<b>At 31 December 2024</b>						
Other receivables and deposits	0.03%	2,928,197	4.03%	10,585,286	56.3%	6,320,173

###### (iv) Financial guarantee contracts

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. Detailed disclosure of such guarantees is included in Note 31. 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 entitled to take over the legal title and possession of the related parties so that the Group can 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 is significantly reduced.

The Group also provides guarantees to certain related parties of the Group to obtain borrowings after assessing the credit history of these related parties. The Group closely monitors the repayment progress of the relevant borrowings by these related parties. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties. The directors of the Company consider that the fair value of these financial guarantee contracts for related parties at the date of inception was minimal, the risk of default in payments is remote, and therefore no provision has been made in the consolidated financial statements.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk

Management of the Group aims to maintain sufficient cash and bank balances or have available funding through proceeds from pre-sale of properties and an adequate amount of available financing including short-term and long-term borrowings and obtaining additional funding from shareholders. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and bank balances and through having available sources of financing.

In addition, as disclosed in Note 31 to the consolidated financial statements, the Group might be required to make payments in respect of the financial guarantee contracts entered into by the Group. The maximum liabilities guaranteed by the Group were principal amounts together with the accrued interests and other charges.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk (continued)

	On demand RMB'000	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
<b>As at 31 December 2025</b>					
Non-derivatives					
Borrowings	28,097,315	7,844,852	2,435,360	2,419,828	40,797,355
Trade and other payables, excluding accrual for staff costs and other taxes payable	—	21,972,546	—	—	21,972,546
Amounts due to related parties	—	6,007,095	—	—	6,007,095
	<b>28,097,315</b>	<b>35,824,493</b>	<b>2,435,360</b>	<b>2,419,828</b>	<b>68,776,996</b>
<b>As at 31 December 2024</b>					
Non-derivatives					
Borrowings	27,583,242	5,206,367	8,055,014	1,065,841	41,910,464
Trade and other payables, excluding accrual for staff costs and other taxes payable	—	21,927,033	—	—	21,927,033
Amounts due to related parties	—	5,784,740	—	—	5,784,740
	<b>27,583,242</b>	<b>32,918,140</b>	<b>8,055,014</b>	<b>1,065,841</b>	<b>69,622,237</b>

Note: Interests on borrowings were calculated on borrowings held as at 31 December 2025 (2024: same). Floating-rate interests were estimated using the current interest rate as at 31 December 2025 (2024: same).

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 Financial risk management (continued)

### 3.2 Capital 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 the owners 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 the owners, issue new shares or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and bank balances.

	2025 RMB'000	2024 RMB'000
Total borrowings (Note 26)	<b>37,594,047</b>	38,540,142
Less: Cash and bank balances (Note 21)	<b>(2,591,782)</b>	(3,402,274)
Net borrowings	<b>35,002,265</b>	35,137,868
Total equity	<b>(6,745,149)</b>	6,874,308
Gearing ratio	<b>(518.93)%</b>	511.15%

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation

**(a) Financial assets and liabilities**

*(i) Fair value hierarchy*

The Group's financial assets include cash and bank balances, trade and other receivables, amounts due from related parties and FVPL. The Group's financial liabilities include trade and other payables, lease liabilities, amounts due to related parties, and borrowings. The fair value for financial assets and liabilities with maturities of less than one year are assumed to approximate their carrying amounts due to their short term maturities.

*(ii) Valuation techniques used to determined fair values*

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

(a) **Financial assets and liabilities (continued)**

(ii) *Valuation techniques used to determined fair values (continued)*

The following table presents the Group's financial assets at FVPL were measured at fair value at 31 December 2025.

Recurring fair value measurements	Note	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	18	3,250	513,338	516,588

The following table presents the Group's financial assets at FVPL were measured at fair value at 31 December 2024.

Recurring fair value measurements	Note	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	18	1,422	525,313	526,735

(iii) *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the changes in level 3 items for the periods ended 31 December 2025 and 2024.

	2025 RMB'000	2024 RMB'000
<b>Financial assets at fair value through profit or loss</b>		
<b>Opening balance</b>	<b>525,313</b>	703,323
Additions	<b>163,900</b>	991,000
Disposals	<b>(175,875)</b>	(1,169,010)
<b>Closing balance</b>	<b>513,338</b>	525,313
Unrealised gains recognised for the year	—	—

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

##### (a) Financial assets and liabilities (continued)

###### (iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

The financial assets at FVPL were measured at fair value, which was grouped into level 3 fair value measurements, subsequent to initial recognition. Techniques, such as discounted cash flow analysis, were used to determine fair value for the financial assets.

The Group's policy was to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers among levels 1, 2 and 3 for recurring fair value measurements.

There were no changes in valuation technique during the year.

##### (b) Non-financial assets

The non-financial assets of the Group are mainly investment properties measured at fair value.

###### (i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the accounting standards. An explanation of each level is provided in Note 3.3(a).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers among levels 1, 2 and 3 for recurring fair value measurements during the year.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

##### (b) Non-financial assets (continued)

###### (ii) Valuation techniques used to determine level 3 fair values

The directors determine a property's value within a range of reasonable fair value estimates. Fair values of the Group's completed investment properties are derived using the income capitalisation approach. This valuation method takes into account the net rental income of a property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate.

The valuation of fair value of the Group's investment properties was performed by Savills Real Estate Valuation (Guangzhou) Ltd. Beijing Branch, an independent expert valuation firm who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

Fair values of the Group's investment properties under development are derived using the direct comparison approach and residual approach. The direct comparison approach involves the analysis of recent market sales evidence of similar properties to compare with the premises under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparable is then compared with the subject and where there is a difference, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. The residual approach takes into account the residual value on the completed gross development value ("GDV") after deduction of the outstanding construction costs and expenses as well as profit element. It first assesses the GDV or estimated value of the proposed developments as if completed at the date of valuation. Estimated cost of the development includes construction costs, marketing, professional fees, finance charges, and associated costs, plus an allowance for the developer's risk and profit. The development costs are deducted from the GDV. The resultant figure is the residual value of the subject property.

All resulting fair value estimates for investment properties are included in level 3.

###### (iii) Fair value measurements using significant unobservable inputs (level 3)

Detailed disclosures of the changes in level 3 items for the years ended 31 December 2025 and 31 December 2024 for recurring fair value measurements are disclosed in Note 18.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

##### (b) Non-financial assets (continued)

(iv) *Valuation inputs and relationships to fair value*

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

Properties status	Fair value at 31 December		Unobservable inputs	Range of inputs in	
	2025 RMB'000	2024 RMB'000		2025 RMB'000	2024 RMB'000
Completed	11,180,500	9,020,202	Capitalisation rate <sup>1</sup>	1.5%-5.25%	1.5%-5.25%
			Market rents <sup>2</sup> (RMB/square meter/month)	20-976	34-528
Under development	346,000	2,223,000	Market prices <sup>2</sup>	6,668-14,817	7,487- 14,973
			Market rents <sup>2</sup> (RMB/square meter/month)	300-462	30-528
			Anticipated developer's profit margins <sup>3</sup>	15%	5%-20%
<b>Total</b>	<b>11,526,500</b>	<b>11,243,202</b>			

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

##### (b) Non-financial assets (continued)

###### (iv) Valuation inputs and relationships to fair value (continued)

Relationship of unobservable inputs to fair value:

- 1 The higher the capitalisation rate, the lower the fair value;
- 2 The higher the market rents and market prices, the higher the fair value;
- 3 The higher the anticipated developer's profit margins, the lower the fair value.

###### (v) Valuation processes

The Group's investment properties were valued at 31 December 2025 by Savills Real Estate Valuation (Guangzhou) Ltd. Beijing Branch (2024: same), an independent expert valuation firm, who 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 reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the valuation team and valuer at least once every six months, in line with the Group's interim and annual reporting process.

At each reporting period end, the finance department:

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

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

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 4 Critical estimates and judgements

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

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

##### **(a) Provisions for properties under development, completed properties held for sale and prepayment for acquisition of land use rights**

The Group assesses the carrying amounts of properties under development, completed properties held for sale and prepayments for acquisition of land use rights according to their net realisable values based on the reliability of these properties and prepayments. As a result, provisions for properties under development, completed properties held for sale and prepayment for acquisition of land use rights involve critical accounting estimates on the future selling prices and variable selling expenses for the properties, as well as the costs to completion for properties under development and prepayments for acquisition of land use rights.

##### **(b) Classification of subsidiaries, joint ventures and associates**

The classification of an investment as a subsidiary, a joint venture or an associate is based on whether the Group is determined to have control, joint control or significant influence over the investee, which involves judgements through the analysis of various factors, including the Group's representation on the chief decision making authorities of an investee, such as board of directors' meetings and shareholders' meetings, as well as other facts and circumstances.

Subsidiaries are consolidated, which means each of their assets, liabilities and transactions are included line-by-line in the Group's consolidated financial statements, whereas the interests in joint ventures and associates are equity accounted for as investments on the consolidated balance sheet.

Accordingly, any inappropriate classification as a result of recognition or derecognition of the investments could have a material and pervasive impact on the consolidated financial statements.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

### 4 Critical estimates and judgements (continued)

#### (c) Corporate income tax, land appreciation tax and deferred taxation

The Group is subject to corporate income tax and land appreciation tax ("LAT") in the PRC. Judgement is required in determining the provision for corporate income tax and LAT. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. The Group has not finalised its corporate income tax and LAT calculations and payments with certain local tax authorities in charge of certain of the Group's projects in the PRC. The Group recognised the corporate income tax and LAT based on management's best estimates according to the interpretation of the applicable tax rules. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the corporate income tax and LAT provision in the year in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

Deferred income tax liabilities are provided to the taxable temporary differences arising from the Group's investments in subsidiaries, joint ventures and associates unless the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Provisions for deferred land appreciation tax liabilities relating to the taxable temporary difference of investment properties are provided unless management determines that the expected manner of recovery of the properties is through rental income from the lease of the properties only. All these involve management's judgements and estimations and the actual outcome may be different.

### 5 Segment information

The executive Directors have been identified as the chief operating decision-maker. Management has determined the operating segments based on the reports reviewed by the executive Directors, which are used to allocate resources and assess performance. The Group is principally engaged in property development in the People's Republic of China (the "PRC"). Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive Directors regard that there is only one segment which is used to make strategic decisions. Revenue and profit after income tax are the measures reported to the executive Directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the year ended 31 December 2025 (2024: same).

- (a) As at 31 December 2025, non-current assets of the Group, excluding financial assets at fair value through profit or loss and deferred tax assets, were located in the PRC (2024: same).
- (b) There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the year ended 31 December 2025 (2024: same).

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 6 Revenue

	2025 RMB'000	2024 RMB'000
Sales of properties	<b>6,691,469</b>	29,322,249
Revenue from hotel operations and others		
Hotel operations	<b>130,565</b>	146,173
Others	<b>98,582</b>	107,854
	<b>229,147</b>	254,027
Rental income of investment properties	<b>186,960</b>	205,611
	<b>7,107,576</b>	29,781,887
Timing of revenue recognition		
– At a point in time	<b>6,920,616</b>	29,576,276
Revenue from contracts with customers	<b>6,920,616</b>	29,576,276
Revenue from other sources – rental income	<b>186,960</b>	205,611
	<b>7,107,576</b>	29,781,887

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 7 Expenses by nature

	2025 RMB'000	2024 RMB'000
Cost of properties sold (excluding staff costs) (Note (a))	11,601,341	29,128,697
Staff costs (including directors' emoluments) (Note 8)	245,029	309,489
Advertising costs	46,928	208,614
Taxes and other levies	55,148	110,156
Consulting fees	18,370	140,628
Property management fees	58,674	92,365
Depreciation of property, plant and equipment	66,236	75,510
Office and travelling expenses	19,148	21,237
Expenses relating to short-term leases and low-value assets (Note 16(iii))	38,787	11,623
Entertainment expenses	5,881	8,590
Amortisation of intangible assets	310	310
Depreciation of right-of-use assets	13,350	23,926
Net impairment losses on financial assets		
— Trade receivables	8,703	1,150
— Other receivables	3,577,053	3,807,795
Auditors' remuneration		
— Annual audit and interim review	2,600	2,600
Others (Note (b))	373,620	228,435
<b>Total</b>	<b>16,131,178</b>	<b>34,171,125</b>

#### Notes:

- (a) During the year ended 31 December 2025, impairment losses on properties under development (net of reversals) of approximately RMB2,258,021,000 (2024: RMB2,205,084,000) and impairment losses on properties held for sales (net of reversals) of approximately RMB3,186,870,000 (2024: RMB2,813,083,000) have been charged to "Cost of Properties sold".
- (b) During the year, included in others was RMB93,349,000 (2024: RMB62,978,000), which represented a provision for litigation costs due to the construction fees owed to suppliers in accordance with the relevant agreements.

## 8 Staff costs – including directors' and chief executive's emoluments

	2025 RMB'000	2024 RMB'000
Fees, salaries and other benefits	231,556	292,467
Pension costs	13,473	17,022
	<b>245,029</b>	<b>309,489</b>

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 8 Staff costs – including directors' and chief executive's emoluments (continued)

### (a) Directors' and chief executive's emoluments

	2025 RMB'000	2024 RMB'000
Fees, salaries and other benefits	7,624	7,679
Pension costs	284	280
	<b>7,908</b>	<b>7,959</b>

### (i) For the year ended 31 December 2025

Name of directors	Fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonuses RMB'000	Pension costs RMB'000	Total RMB'000
Executive directors:					
— Mr. Ou (Note)	—	1,080	—	71	1,151
— Ms. Yu Lijuan	—	2,360	—	71	2,431
— Ms. Zeng Feiyan	—	1,960	—	71	2,031
— Mr. Wu Jianxing	—	1,456	—	71	1,527
Non-executive director:					
— Mr. Li Shupeì	—	—	—	—	—
Independent non-executive directors:					
— Mr. Feng Dongcheng (appointed on 7 March 2025)	226	—	—	—	226
— Mr. Ren Yunan	271	—	—	—	271
— Mr. Ruan Weifeng	271	—	—	—	271
	<b>768</b>	<b>6,856</b>	<b>—</b>	<b>284</b>	<b>7,908</b>

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 8 Staff costs – including directors' and chief executive's emoluments (continued)

### (a) Directors' and chief executive's emoluments (continued)

#### (ii) For the year ended 31 December 2024

Name of directors	Fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonuses RMB'000	Pension costs RMB'000	Total RMB'000
Executive directors:					
— Mr. Ou (Note)	—	1,080	—	70	1,150
— Ms. Yu Lijuan	—	2,358	—	70	2,428
— Ms. Zeng Feiyan	—	1,960	—	70	2,030
— Mr. Wu Jianxing	—	1,456	—	70	1,526
Non-executive director:					
— Mr. Li Shupei	—	—	—	—	—
Independent non-executive directors:					
— Mr. He Jiarong (resigned on 11 December 2024)	275	—	—	—	275
— Mr. Ren Yunan	275	—	—	—	275
— Mr. Ruan Weifeng	275	—	—	—	275
	825	6,854	—	280	7,959

Note: Mr. Ou also serves as the chief executive of the Company. His emoluments include services rendered as chief executive.

During the years ended 31 December 2025 and 2024, one of the directors of the Company, Mr. Li Shupei, was not entitled to any emoluments. None of other directors or the chief executive of the Company have waived their emolument or agreed to waive their emoluments.

During the year ended 31 December 2025, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors, nor are any payable (2024: same). No consideration was provided to or receivable by third parties for making available directors' services (2024: same).

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 8 Staff costs – including directors' and chief executive's emoluments (continued)

### (a) Directors' and chief executive's emoluments (continued)

There were no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities as at 31 December 2025 (2024: same).

Other than those disclosed in Note 35(e), there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: same).

### (b) Five highest paid individuals

The five highest paid employees of the Group during the year included four (2024: four) directors, details of whose remuneration are set out above. Details of the remuneration for the year of the remaining one (2024: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	1,456	1,456
Pension costs	71	70
	<b>1,527</b>	1,526

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 No. of employees	2024 No. of employees
HK\$1,500,001 to HK\$2,000,000	1	1
	<b>1</b>	1

During the year ended 31 December 2025, no emolument was paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2024: none).

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 9 Other income and other losses – net

	2025 RMB'000	2024 RMB'000
<b>Other income:</b>		
Interest income	26,327	18,616
Forfeited deposits from customers (note iii)	7,941	5,605
Government grants (note i)	1,332	610
Miscellaneous (note ii)	47,607	26,598
	<b>83,207</b>	<b>51,429</b>
<b>Other losses, net</b>		
Loss on disposal of subsidiaries (note 34(a))	(309,814)	(1,711,702)
Fair value gain/(losses) on financial assets at FVPL	2,953	(2,097)
Net foreign exchange losses	—	(29)
Gain/(loss) on disposal of associates (note iv)	117,750	(158,611)
Gain from disposal of property, plant and equipment	259	284
Gain from financial assets at FVPL	47	13,110
Provision for write-down of investments accounted for using the equity method (Note 12(a))	(566,051)	(545,542)
Gain on debt restructuring	131,501	—
	<b>(623,355)</b>	<b>(2,404,587)</b>

- (i) Government grants consisted mainly of financial subsidies granted by the local governments. There are no unfulfilled conditions or other conditions attached to the government grant recognised during the year ended 31 December 2025 (2024: same).
- (ii) Included in miscellaneous was approximately RMB12,839,000 (2024: RMB9,477,000) which represented amounts of penalty income collected from contractors according to the agreement.
- (iii) During the year ended 31 December 2025, the forfeited deposits from customers included approximately RMB3,048,000 (2024: RMB3,395,000) of forfeited deposits received from property buyers.
- (iv) During the year ended 31 December 2025, the gain on disposal of associates included the gain on disposal of 48.97% equity interest in Jinhua Tianxi Property Co., Ltd., disposal of 50% equity interest in Jinhua Ruiying Real Estate Co., Ltd., and disposal of 40% equity interest in Chengdu Longtengjinrui Property Co., Ltd., which amounted to approximately RMB74,420,000 in aggregate.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 10 Finance (costs)/income – net

	2025 RMB'000	2024 RMB'000
Finance income		
— Interest income from bank deposits	20,200	45,790
	<b>20,200</b>	45,790
Finance costs		
— Interest expenses of borrowings	<b>(2,685,837)</b>	(2,805,259)
— Less: capitalised interest	25,340	368,343
— Net foreign exchange gain/(loss)	387,641	(246,491)
	<b>(2,272,856)</b>	(2,683,407)
Finance costs – net	<b>(2,252,656)</b>	(2,637,617)

## Notes to the Consolidated Financial Statements

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## 11 Subsidiaries

## (a) The Group's principal subsidiaries

The Group's principal subsidiaries at 31 December 2025 and 2024 are set out below. The proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of companies	Type of legal status	Place of operation/ establishment	Principal activities	Authorised/ registered/paid up capital and debt securities	Ownership interest directly/indirectly held by the Group		Ownership interest directly/indirectly held by non-controlling interests		
					%	%	%	%	
					2025	2024	2025	2024	
<b>Indirectly held by the Company:</b>									
融信(福建)投資集團有限公司	Rongxin (Fujian) Investment Group Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB4,025,000,000	100	100	—	—
福州融信雙抗投資發展有限公司	Fuzhou Rongxin Shuanghang Investment Development Co., Ltd.	Limited liability company	PRC	Property development	Registered capital of RMB200,000,000 and paid up capital of RMB100,000,000	100	100	—	—
福建世歐投資發展有限公司	Fujian Shiou Investment Development Co., Ltd.	Limited liability company	PRC	Investment holdings	Registered and paid up capital of RMB500,000,000	100	100	—	—
杭州融信信譽房地產開發有限公司	Hangzhou Rongxin Kaisheng Real Estate Development Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB1,000,000,000	100	100	—	—
上海愷冠臻房地產開發有限公司	Shanghai Kaiguanzhen Real Estate Development Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB5,500,000,000	51 <sup>(iii)</sup>	51 <sup>(iii)</sup>	49	49
上海愷珩房地產開發有限公司	Shanghai Kaiheng Real Estate Development Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB1,000,000,000	50 <sup>(iii)</sup>	50 <sup>(iii)</sup>	50	50
昆山融信信譽房地產開發有限公司	Kunshan Rongxin Kaiting Real Estate Development Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB1,000,000,000	50 <sup>(iii)</sup>	50 <sup>(iii)</sup>	50	50
浙江德盛置業有限公司	Zhejiang Desheng Property Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB50,000,000	26 <sup>(i)</sup>	26 <sup>(i)</sup>	74	74
杭州金昇房地產開發有限公司	Hangzhou Jinsheng Real Estate Development Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB700,000,000	25 <sup>(i)</sup>	25 <sup>(i)</sup>	75	75
鄭州融信朗悅置業有限公司	Zhengzhou Rongxin Langyue Property Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB910,000,000	51 <sup>(i)</sup>	51 <sup>(i)</sup>	49	49
上海興美置業有限公司	Shanghai Xingmei Property Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB2,600,000,000	34 <sup>(i)</sup>	34 <sup>(i)</sup>	66	66
上海愷居房地產開發有限公司	Shanghai Kaiju Real Estate Development Co., Ltd.	Limited liability company	PRC	Property development	Registered and paid up capital of RMB800,000,000	51 <sup>(iii)</sup>	51 <sup>(iii)</sup>	49	49
杭州融悅房地產開發有限公司	Hangzhou Rongyue Real Estate Development Co., Ltd.	Limited liability company	PRC	Property development	Paid up capital of RMB900,000,000	51 <sup>(iii)</sup>	51 <sup>(iii)</sup>	49	49
安徽海亮房地產有限公司	Anhui Hailiang Real Estate Co., Ltd.	Limited liability company	PRC	Property development	Paid up capital of RMB10,000,000,000	55 <sup>(iii)</sup>	55 <sup>(iii)</sup>	45	45

\* The English names of PRC companies above represent management's best effort in translating their Chinese names as no English names have been registered or available.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 11 Subsidiaries (continued)

### (a) The Group's principal subsidiaries (continued)

(i) In accordance with the cooperation agreements with co-developers and articles of associations of these companies, the Group has controlling power in the shareholders' meetings and board of directors' meetings in decision on the relevant operational activities. Accordingly, the Group has exposure or rights to variable returns from its involvement with these companies, and has the ability to affect those returns through its majority voting position and the existing rights to direct the relevant activities. Accordingly, these companies are accounted for as subsidiaries of the Group.

### (ii) Significant restrictions

The conversion of RMB denominated balances of cash and bank balances into foreign currencies and the remittance of such foreign currencies out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government. These regulations provide for restrictions on exporting capital from the PRC, other than through normal dividends. As at 31 December 2025, the carrying amount of the cash and bank balances of RMB2,591,489,000 (2024: RMB3,401,764,000) included in the consolidated financial statements to which these restrictions applied was denominated in RMB.

Certain equity interests in the subsidiaries of the Company were pledged for financing arrangements of the Group as at 31 December 2025 and 2024 (Note 33).

(iii) In accordance with the agreement signed with these companies, the Group has the power over the investee, has rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns.

Accordingly, these companies are controlled by the Group and are accounted for as subsidiaries of the Group.

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

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## 11 Subsidiaries (continued)

### (b) Summarised financial information on subsidiaries with material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Anhui Hailiang Property Company Limited (the "Hailiang Group")	PRC	61,810	88,441	2,621,567	2,619,265
Individually immaterial subsidiaries with non-controlling interests				12,345,547	16,008,815
				<b>14,967,114</b>	<b>18,628,080</b>

Notes to the Consolidated Financial Statements  
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## 11 Subsidiaries (continued)

### (b) Summarised financial information on subsidiaries with material non-controlling interests (continued)

Set out below are the combined summarised financial information for the Hailiang Group that has non-controlling interests that are material to the Group. Hailiang Group was acquired from a third party on 31 July 2017. The amounts disclosed for the Hailiang Group are before inter-company eliminations.

#### Summarised balance sheet as at 31 December 2025 and 2024

	2025 RMB'000	2024 RMB'000
Non-current assets	677,662	715,792
Non-current liabilities	(1,450,045)	(1,500,455)
Non-current net liabilities	(772,383)	(784,663)
Current assets	6,228,074	7,297,284
Current liabilities	(301,833)	(1,274,091)
Current net assets	5,926,241	6,023,193
Net assets	5,153,858	5,238,530
Proportionate share of the net assets attributable to non-controlling interests	2,621,567	2,619,265

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## 11 Subsidiaries (continued)

### (b) Summarised financial information on subsidiaries with material non-controlling interests (continued)

#### Summarised income statement and statement of comprehensive income for the years ended 31 December 2025 and 2024

	2025	2024
	RMB'000	RMB'000
Revenue	429,837	1,228,183
Profit before income tax	7,837	300,052
Income tax expense	(83,411)	(139,249)
(Loss)/profit for the year	(75,574)	160,803
Total comprehensive (expense)/income for the year	(75,574)	160,803
Profit and comprehensive income for the year allocated to non-controlling interests	61,810	88,441

#### Summarised statement of cash flows for the years ended 31 December 2025 and 2024

	2025	2024
	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	30,277	(303,884)
Net cash generated from investing activities	70,359	125,479
Net cash used in financing activities	(118,896)	(10,904)
Net decrease in cash and cash equivalents	(18,260)	(189,309)
Cash and cash equivalents at beginning of the Year	435,556	624,865
Cash and cash equivalents at end of the Year	417,296	435,556

Notes to the Consolidated Financial Statements  
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## 12 Investments accounted for using the equity method

### (a) Investments accounted for using the equity method

The Group considers that none of the joint ventures or associates as at 31 December 2025 was individually material to the Group and thus the individual financial information of the joint ventures or associates was not disclosed (2024: same). The summarised financial information of individually immaterial joint ventures and associates on an aggregate basis prepared in accordance with HKFRSs is as follows:

#### (i) Amounts recognised in the consolidated balance sheet are as follows:

	2025 RMB'000	2024 RMB'000
Investments accounted for using the equity method:		
— Joint ventures	3,584,674	4,540,029
— Associates	2,072,571	2,249,010
	<b>5,657,245</b>	6,789,039

#### (ii) The amounts recognised in the consolidated income statement are as follows:

	2025 RMB'000	2024 RMB'000
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method:		
— Joint ventures	74,543	92,324
— Associates	(29,392)	54,238
	<b>45,151</b>	146,562

(iii) During the year ended 31 December 2025, the Group made equity investments with total consideration of RMB46,640,000 (2024: RMB135,300,000) in certain real estate project companies where the Group has significant influence or joint controls. The Group accounted for these equity investments using the equity method.

(iv) During the year ended 31 December, 2025, the provision for impairment of investments accounted for using the equity method amounted to RMB566,051,000 (2024: RMB545,542,000), which was recognized as other losses – net; please refer to note 9 other income and other losses – net for further details.

## Notes to the Consolidated Financial Statements

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## 12 Investments accounted for using the equity method (continued)

(b) Set out below are material joint ventures and associates of the Group as at 31 December 2025 and 2024. The place of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation and business	% of ownership interest		Measurement method	Principal activities	
		2025	2024			
<b>Joint ventures</b>						
保定智泰房地產開發有限公司	Baoding Zhitai Real Estate Development Co., Ltd.	PRC	80%	80%	Equity	Property development
杭州愷創置業有限公司	Hangzhou Kaichuang Property Co., Ltd.	PRC	60%	60%	Equity	Property development
海融(漳州)房地產有限公司	Hairong (Zhangzhou) Real Estate Co., Ltd.	PRC	50%	50%	Equity	Property development
福州裕百川房地產開發有限公司	Fuzhou Yubaichuan Real Estate Development Co., Ltd.	PRC	34%	34%	Equity	Property development
東台市新碧房地產開發有限公司	Dongtai Xinbi Real Estate Development Co., Ltd.	PRC	11%	11%	Equity	Property development
阜陽綠地置業有限公司	Fuyang Greenland Property Co., Ltd.	PRC	18%	18%	Equity	Property development
金華市瑞盈房地產有限公司	Jinhua Ruiying Real Estate Co., Ltd.	PRC	50%	50%	Equity	Property development
慈溪市金桂置業有限公司	Cixi Jingui Property Co., Ltd.	PRC	21%	21%	Equity	Property development
杭州乾唐房地產開發有限公司	Hangzhou Qiantang Real Estate Development Co., Ltd.	PRC	34%	34%	Equity	Property development
杭州星榮置業有限公司	Hangzhou Xingrong Property Co., Ltd.	PRC	20%	20%	Equity	Property development

Note:

In accordance with the agreement signed with joint ventures, the Group and the joint ventures make decisions about the relevant activities under the unanimous consent of the parties sharing control. The Group exercises joint control through the contractual arrangement bounding the parties. Accordingly, these companies are accounted for as joint ventures of the Group.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 12 Investments accounted for using the equity method (continued)

- (b) Set out below are material joint ventures and associates of the Group as at 31 December 2025 and 2024. The place of incorporation or registration is also their principal place of business. (continued)

Name of entity	Place of incorporation and business	% of ownership interest		Measurement method	Principal activities	
		2025	2024			
<b>Associates</b>						
杭州銘昱房地產開發有限公司	Hangzhou Mingyu Real Estate Development Co., Ltd.	PRC	49%	49%	Equity	Property development
南通江河置業有限公司	Nantong Jianghe Property Co., Ltd.	PRC	50%	50%	Equity	Property development
杭州龍毅房地產開發有限公司	Hangzhou Longyi Real Estate Development Co., Ltd.	PRC	49%	49%	Equity	Property development
杭州融洽實業有限公司	Hangzhou Rongqia Industrial Co., Ltd.	PRC	49%	49%	Equity	Property development
青島西海岸科創投資開發有限公司	Qingdao West Coast Kechuang Investment Development Co., Ltd.	PRC	15%	15%	Equity	Property development
鎮江億騰房地產開發有限公司	Zhenjiang Yiteng Real Estate Development Co., Ltd.	PRC	18%	18%	Equity	Property development
杭州錦虹房地產開發有限公司	Hangzhou Jinhong Real Estate Development Co., Ltd.	PRC	25%	25%	Equity	Property development
杭州濱興實業有限公司	Hangzhou Binxing Industrial Co., Ltd.	PRC	12%	12%	Equity	Property development

The English names of PRC companies above represent management's best effort in translating their Chinese names as no English names have been registered or available.

Note:

In accordance with the agreement signed with these companies, the Group has the power to participate in the financial and operating policy decisions but not control them. Accordingly, these companies are accounted for as associates of the Group.

## Notes to the Consolidated Financial Statements

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### 13 Income tax expense

	2025 RMB'000	2024 RMB'000
Current income tax:		
PRC corporate income tax ("CIT")	346,621	980,821
PRC land appreciation tax ("LAT")	166,004	128,090
	<b>512,625</b>	1,108,911
Deferred income tax:		
CIT	50,487	683,173
Income tax expenses	<b>563,112</b>	1,792,084

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate applicable to profit/loss of the consolidated entities as follows:

	2025 RMB'000	2024 RMB'000
Loss before income tax	(11,919,910)	(9,765,955)
Less: share of net profits of associates and joint ventures	(45,151)	(146,562)
	<b>(11,965,061)</b>	(9,912,517)
Tax calculated at applicable corporate income tax rates	(1,243,794)	(2,071,458)
Effect of income not taxable for tax purpose	–	(366,874)
Effect of expenses not deductible for tax purpose	23,029	2,358,908
Effect of unrecognised temporary differences	1,659,374	1,775,441
Effect of PRC LAT deductible for income tax purpose	(41,501)	(32,023)
PRC corporate income tax	<b>397,108</b>	1,663,994
PRC LAT	<b>166,004</b>	128,090
	<b>563,112</b>	1,792,084

Deferred tax liabilities of RMB1,405,415,000 (2024: RMB964,096,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries amounting to RMB14,054,146,000 as at 31 December 2025 (31 December 2024: RMB9,640,955,000). The Group does not have a plan to distribute these earnings out of the PRC in the foreseeable future.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 13 Income tax expense (continued)

### CIT

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the years ended 31 December 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the "CIT Law") effective on 1 January 2008.

### LAT

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates.

### PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the CIT Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings from its PRC subsidiaries.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 13 Income tax expense (continued)

### Hong Kong profits tax

The applicable Hong Kong profits tax rate was 16.5% for the year ended 31 December 2025 (2024: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profit subject to Hong Kong profits tax for the year ended 31 December 2025 (2024: nil).

### Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands and, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands was incorporated under the Business Companies Act of the British Virgin Islands and is exempted from British Virgin Islands income tax.

## 14 Loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2025	2024
Loss attributable to owners of the Company (RMB'000)	<b>(9,958,491)</b>	(12,002,306)
Weighted average number of ordinary shares in issue	<b>1,683,431,417</b>	1,683,431,417
Basic and diluted loss per share (RMB per share)	<b>(5.92)</b>	(7.13)

For the years ended 31 December 2025 and 2024, there is no potential ordinary share issued. Accordingly, diluted loss per share for the year ended 31 December 2025 and 2024 are the same as the basic loss per share.

The Company has not repurchased and cancelled its own ordinary shares during the year ended 31 December 2025 (2024: nil).

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## 15 Property, plant and equipment

	Buildings RMB'000 (Note i)	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements and furniture, fitting and equipment RMB'000	Total RMB'000
<b>As at 1 January 2024</b>					
Cost	1,380,044	52,421	48,355	144,743	1,625,563
Accumulated depreciation	(315,274)	(51,242)	(46,507)	(143,731)	(556,754)
Net book amount	1,064,770	1,179	1,848	1,012	1,068,809
<b>Year ended 31 December 2024</b>					
Opening net book amount	1,064,770	1,179	1,848	1,012	1,068,809
Disposal of subsidiaries	—	(442)	—	—	(442)
Additions	—	868	—	—	868
Disposals	—	(680)	—	—	(680)
Depreciation charges	(75,379)	(131)	—	—	(75,510)
Closing net book amount	989,391	794	1,848	1,012	993,045
<b>At 31 December 2024</b>					
Cost	1,380,044	52,167	48,355	144,743	1,625,309
Accumulated depreciation	(390,653)	(51,373)	(46,507)	(143,731)	(632,264)
Net book amount	989,391	794	1,848	1,012	993,045
<b>Year ended 31 December 2025</b>					
Opening net book amount	<b>989,391</b>	<b>794</b>	<b>1,848</b>	<b>1,012</b>	<b>993,045</b>
Disposal of subsidiaries	—	—	—	(8)	(8)
Additions	—	<b>561</b>	<b>263</b>	<b>533</b>	<b>1,357</b>
Disposals	—	<b>(68)</b>	<b>(184)</b>	<b>(70)</b>	<b>(322)</b>
Depreciation charges	<b>(64,848)</b>	<b>(203)</b>	<b>(305)</b>	<b>(880)</b>	<b>(66,236)</b>
Closing net book amount	<b>924,543</b>	<b>1,084</b>	<b>1,622</b>	<b>587</b>	<b>927,836</b>
<b>At 31 December 2025</b>					
Cost	<b>1,380,044</b>	<b>50,803</b>	<b>44,952</b>	<b>145,140</b>	<b>1,620,939</b>
Accumulated depreciation	<b>(455,501)</b>	<b>(49,719)</b>	<b>(43,330)</b>	<b>(144,553)</b>	<b>(693,103)</b>
Net book amount	<b>924,543</b>	<b>1,084</b>	<b>1,622</b>	<b>587</b>	<b>927,836</b>

Note:

- (i) Buildings mainly comprise of hotel buildings.

As at 31 December 2025, buildings with net book amount of approximately RMB924,543,000 (2024: RMB954,188,000) have been pledged to secure bank borrowings granted to the Group (note 33).

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## 16 Leases

### (i) Amounts recognised in the balance sheet

	2025 RMB'000	2024 RMB'000
<b>Right-of-use assets</b>		
Land use rights (Note (a) and (b))	348,807	362,157
	<b>348,807</b>	362,157
<b>Lease liabilities</b>		
Current	—	—
Non-current	—	—
	—	—

Notes:

- (a) Land use rights comprise cost of acquiring rights to use for certain land with lease periods from 40 to 70 years (2024: same), which are all located in the PRC, mainly for hotel buildings. The Group has obtained the land use right certificates for leasehold lands.
- (b) As at 31 December 2025, certain land use rights of RMB140,089,000 (2024: RMB91,844,000) of the Group are pledged as security for the borrowings of the Group (Note 33).

Notes to the Consolidated Financial Statements  
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## 16 Leases (continued)

### (ii) Amounts recognised in the statement of profit or loss

	2025 RMB'000	2024 RMB'000
<b>Depreciation charge of right-of-use assets:</b>		
Land use rights	<b>13,350</b>	13,350
Properties	—	10,576
	<b>13,350</b>	23,926
Interest expense (included in finance costs)	—	352
Expense relating to short-term leases and low-value assets (included in administrative expenses) (Note 7)	<b>38,787</b>	11,623
Total cash outflow for leases payments	<b>38,787</b>	26,491

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

The Group mainly leases various offices. During the year, the major short-term leases that the Group acted as a lessee were as follows:

Underlying assets	Lease term	Annual rent RMB'000
Office I	12 months	<b>7,285</b>
Office II	12 months	<b>1,354</b>

The lease agreements do not impose any covenants. Expenses relating to short-term leases and low-value assets included in expenses by nature (Note 7).

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## 17 Investment properties

	Completed investment properties RMB'000	Investment properties under development RMB'000	Total RMB'000
<b>Year ended 31 December 2025</b>			
Opening net book amount	9,020,202	2,223,000	11,243,202
Additions	–	431,953	431,953
Transfers	2,303,953	(2,303,953)	–
Fair value loss	(143,655)	(5,000)	(148,655)
At 31 December 2025	11,180,500	346,000	11,526,500
<b>Year ended 31 December 2024</b>			
Opening net book amount	9,884,000	2,414,500	12,298,500
Transfer to completed properties held for sale	(56,306)	(155,188)	(211,494)
Derecognised upon disposal of subsidiaries	(311,300)	–	(311,300)
Fair value loss	(496,192)	(36,312)	(532,504)
At 31 December 2024	9,020,202	2,223,000	11,243,202

The following amounts have been recognised in the consolidated statement of comprehensive income:

	2025 RMB'000	2024 RMB'000
Total loss for the year recognised in profit or loss and included in “fair value losses on investment properties” of the consolidated income statement – unrealised	(148,655)	(532,504)
Rental income (Note 6)	186,960	205,611

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 17 Investment properties (continued)

- (a) As at 31 December 2025, the Group had no contractual obligations for repairs, maintenance or enhancements (2024: same).
- (b) As at 31 December 2025, retail stores of approximately RMB3,534,320,000 (2024: RMB3,401,272,000) and car parking spaces of approximately RMB244,000,000 (2024: RMB253,000,000) included in the investment properties have been pledged to secure asset backed securities borrowings granted to the Group (note 33).
- (c) The capitalisation rate of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's borrowings during the year ended 31 December 2025, which is 6.11% (2024: 6.29%).
- (d) The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include variable lease payments that depend on a rate. 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.
- (e) Investment properties as at 31 December 2025 are held in the PRC on leases between 40 to 70 years (2024: 40 to 70 years).
- (f) The future aggregate minimum rental receivables under non-cancellable operating lease are as follows:

	2025 RMB'000	2024 RMB'000
— Not later than one year	173,969	146,982
— Later than one year and not later than five years	707,891	599,632
— Later than five years	891,769	786,706
	<b>1,773,629</b>	1,533,320

- (g) Investment properties presented by category are as follows:

	Residential RMB'000	Retail stores RMB'000	Office building RMB'000	Car parking space RMB'000	Total RMB'000
<b>As at 31 December 2024</b>	<b>5,343,030</b>	<b>4,805,172</b>	<b>761,600</b>	<b>333,400</b>	<b>11,243,202</b>
<b>As at 31 December 2025</b>	<b>6,019,922</b>	<b>4,472,278</b>	<b>710,300</b>	<b>324,000</b>	<b>11,526,500</b>

## Notes to the Consolidated Financial Statements

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### 18 Financial assets at fair value through profit or loss

	Notes	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
— Equity securities listed in Hong Kong at fair value		3,250	—
— Unlisted equity securities	(i)	417,910	419,331
		<b>421,160</b>	419,331
<b>Current assets</b>			
— Trusts and wealth management products	(ii)	95,428	107,404
		<b>516,588</b>	526,735

Notes:

(i) Unlisted equity securities

The investments represented mainly unlisted equity investments in various real estate entities which the Group holds less than 20% equity interest. These investments were not traded in active markets. The fair value of the equity of unlisted real estate entities were determined based on unobservable market data, which were categorised within level 3 of the fair value hierarchy. Fair value gain on financial assets at FVPL recognised in "other losses – net" was RMB2,953,000 for the year ended 31 December 2025 (2024: loss of RMB2,097,000) (Note 9).

(ii) Trusts and wealth management products

As at 31 December 2025, wealth management products included 7-day notice deposits issued by banks with annualised interest of 1.35%, and also open-ended wealth management products issued by financial institutions with annualised market interest of 0.35% to 5.63%.

As at 31 December 2024, wealth management products mainly included 7-day notice deposits issued by bank with annualised market interest of 1.35%.

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## 19 Financial instruments by category

	2025 RMB'000	2024 RMB'000
<b>Financial assets:</b>		
Financial assets at amortised cost		
– Trade receivables and other receivables	12,053,118	15,884,218
– Amounts due from related parties	2,630,146	3,232,508
– Cash and bank balances	2,591,782	3,402,274
Financial assets at fair value through profit or loss	516,588	526,735
	<b>17,791,634</b>	23,045,735
<b>Financial liabilities:</b>		
Liabilities at amortised cost		
– Trade and other payables, excluding accrual for staff costs and allowances and other taxes payable	21,972,546	21,927,033
– Amounts due to related parties	6,007,095	5,784,740
– Borrowings	37,594,047	38,540,142
	<b>65,573,688</b>	66,251,915

The Group's exposure to various risks associated with the financial instruments is discussed 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.

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

Properties under development and completed properties held for sale of the Group are all located in the PRC and expected to be completed and available for sale within one operating cycle. The relevant land use rights are on leases of 40 to 70 years.

	2025 RMB'000	2024 RMB'000
Properties under development expected to be completed and delivered		
– Within normal operating cycle included under current assets	<b>21,863,958</b>	27,342,143

The normal operating cycle of the Group's property development generally ranges from one to three years.

The amounts of RMB5,746,299,000 as at 31 December 2025 (2024: RMB22,615,756,000) under normal operating cycle were expected to be completed and delivered within one year.

The remaining amounts of RMB16,117,659,000 (2024: RMB4,726,387,000) of properties under development were expected to be completed over one year and within normal operating cycle included under current assets.

	2025 RMB'000	2024 RMB'000
Properties under development:		
– Construction costs	<b>6,802,220</b>	7,968,360
– Capitalised interests	<b>2,092,078</b>	4,077,525
– Land use rights	<b>12,969,660</b>	15,296,258
	<b>21,863,958</b>	27,342,143
Completed properties held for sale:		
– Construction costs	<b>6,655,805</b>	10,607,791
– Capitalised interests	<b>1,376,589</b>	2,834,524
– Land use rights	<b>5,082,210</b>	6,635,994
	<b>13,114,604</b>	20,078,309

Notes to the Consolidated Financial Statements  
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## 20 Properties under development and completed properties held for sale (continued)

### (a) Assigning costs to properties under development and completed properties held for sale

The costs of individual items of properties under development are determined where costs are assigned by specific identification and include the cost of acquisition, development and borrowing costs incurred during the development. See Note 2.14 for the Group's accounting policies for properties under development and completed properties held for sale.

The capitalisation rate of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's borrowings during the year ended 31 December 2025, which is 6.11% per annum (2024: 6.29% per annum).

### (b) Amounts recognised in profit or loss

Completed properties held for sale recognised as costs of sales during the year ended 31 December 2025 amounted to RMB6,174,857,000 (2024: RMB23,362,494,000).

Write-downs of the properties under development and completed properties held for sale to net realisable value (net of reversal) amounted to RMB5,444,891,000 (2024: RMB5,018,167,000), which were recognised as costs of sales during the year ended 31 December 2025.

The movements in write-downs of properties under development and completed properties held for sale during the year are as follows:

	Properties under development RMB'000	Completed properties held for sale RMB'000	Total RMB'000
As at 1 January 2024	6,315,181	4,060,646	10,375,827
Write-downs recognized during the year	2,978,733	2,813,083	5,791,816
Reversals during the year	(773,649)	–	(773,649)
As at 31 December 2024 and as at 1 January 2025	<b>8,520,265</b>	<b>6,873,729</b>	<b>15,393,994</b>
Write-downs recognized during the year	<b>2,473,066</b>	<b>3,328,870</b>	<b>5,801,936</b>
Reversals during the year	<b>(215,045)</b>	<b>(142,000)</b>	<b>(357,045)</b>
As at 31 December 2025	<b>10,778,286</b>	<b>10,060,599</b>	<b>20,838,885</b>

### (c) Pledge information

As at 31 December 2025, properties under development of RMB16,159,652,000 (2024: RMB16,290,519,000) and completed properties held for sale of RMB3,465,840,000 (2024: RMB12,436,598,000) were pledged as security for the borrowings of the Group (note 33).

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

### 21 Cash and bank balances

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	1,098,822	1,253,421
Term deposits (Note (a))	99,853	130,603
Restricted cash (Note (b))	1,393,107	2,018,250
	<b>2,591,782</b>	3,402,274

- (a) The weighted average effective interest rate of the Group's term deposits as at 31 December 2025 was 3.06% per annum (2024: 2.78% per annum). The carrying amounts of the Group's term deposits approximate their fair values, as the impact of discounting is not significant.

The ranges of maturity dates of the term deposits are as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	30,000	37,700
1 to 2 years	—	85,000
2 to 3 years	69,853	1,970
3 to 4 years	—	5,933
Total	<b>99,853</b>	130,603

- (b) Amounts mainly represent cash deposits with designated banks as guarantee deposits for construction of properties of approximately RMB1,188,071,000 (2024: RMB1,386,950,000).

In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group were required to place certain amount of properties presale proceeds at designated bank accounts as guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and payments of construction fee of the relevant property projects when approval from the PRC local State-Owned Land and Resource Bureau is obtained. The remaining balances of the deposits will be released after completion of related pre-sold properties or issuance of the real estate ownership certificate of the properties, whichever is the earlier.

- (c) As at 31 December 2025, included in the Group's restricted bank balances and bank balances is an amount of approximately RMB2,591,489,000 (2024: RMB3,401,764,000), which are deposits with banks in the PRC and denominated in RMB, and RMB is not a freely convertible currency.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 22 Contract assets, contract costs and liabilities

	2025 RMB'000	2024 RMB'000
Current contract assets:		
Contract cost – sales commission	259,070	259,070
Contract assets – provision of construction service	318,637	334,510
	<b>577,707</b>	593,580
Current contract liabilities – sales of properties	<b>11,122,804</b>	15,403,501

### (i) Revenue recognised in relation to contract liabilities

- (a) The following table set out the amount of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
— sales of properties	<b>4,828,932</b>	29,322,249

- (b) The amount of unsatisfied performance obligation is approximately the same as the balance of contract liabilities, which are expected to be recognised in 1 to 3 years as of 31 December 2025 and 31 December 2024.
- (c) The drop in contract liabilities during the year ended 31 December 2025 is due to recognition of prior year's contract liabilities as revenue.

### (ii) Current contract costs

As at 31 December 2025, the current contract costs will be utilized over 1 to 2 years to match the revenue to be recognized.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 23 Trade and other receivables and prepayments

	2025 RMB'000	2024 RMB'000
Trade receivables (Note (a))	84,681	36,378
Less: loss allowance	(9,853)	(1,150)
	<b>74,828</b>	35,228
Other receivables:		
— Amounts due from non-controlling interests (Note (b))	11,798,386	10,987,458
— Deposits for acquisition of land use rights and property development projects	4,822,976	6,521,243
— Other amounts due from third parties	2,220,676	2,111,283
— Deposits for construction contracts	131,536	183,229
— Others	198,901	30,443
Less: loss allowance	(7,194,185)	(3,984,666)
	<b>11,978,290</b>	15,848,990
Prepayments:		
— Prepaid value added tax, business taxes and other taxes	5,000,813	4,734,463
— Others	577,051	290,219
	<b>5,577,864</b>	5,024,682
	<b>17,630,982</b>	20,908,900

As at 31 December 2025, the Group's trade and other receivables and prepayments were mainly denominated in RMB (2024: same). As at 31 December 2025, the Group's maximum exposure to credit risk was the carrying value of each class of receivables mentioned above (2024: same).

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 23 Trade and other receivables and prepayments (continued)

- (a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sale of properties is settled in accordance with the terms stipulated in the sale and purchase agreements.

Ageing analysis of the trade receivables is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	56,946	8,017
Over one year	27,735	28,361
	<b>84,681</b>	36,378

- (b) As at 31 December 2025 and 2024, amounts due from non-controlling interests represented cash advances given to non-controlling interests in projects jointly developed with the Group are generally repayable during the project collaboration, usually over a period of 3-5 years.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 24 Share capital and share premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
At 31 December 2023, 1 January 2024 and 31 December 2024	1,683,431,000	16,805	15	3,082,681	3,082,696
At 31 December 2024, 1 January 2025 and 31 December 2025	1,683,431,000	16,805	15	3,082,681	3,082,696

- a) The authorised share capital of the Company as at 31 December 2025 was HK\$380,000 (2024: HK\$380,000) divided into 38,000,000,000 shares (2024: 38,000,000,000 shares).

## 25 Other reserves

### (a) Capital reserves

Capital reserves mainly represented accumulated capital contribution from the then shareholders of the Group companies.

### (b) Statutory reserves

In accordance with relevant rules and regulations in the PRC, when declaring dividend, the Group's PRC subsidiaries are required to appropriate not less than 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of the registered capital of the respective companies. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses brought forward from prior years or to increase the paid up capital of respective companies.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 26 Borrowings

	2025 RMB'000	2024 RMB'000
<b>Borrowings included in non-current liabilities:</b>		
Senior notes – unsecured (Note (a))	14,489,681	15,017,933
Asset backed securities (“ABS”) – secured (Note (b))	2,143,720	2,143,720
Corporate bonds – unsecured	8,488,200	8,514,000
Borrowings from financial institutions – secured (Note (c))	11,922,446	12,314,489
Less: current portion of non-current borrowings	(32,963,645)	(30,001,151)
	<b>4,080,402</b>	7,988,991
<b>Borrowings included in current liabilities:</b>		
Borrowings from financial institutions – secured (Note (c))	550,000	550,000
Current portion of non-current borrowings	32,963,645	30,001,151
	<b>33,513,645</b>	30,551,151
<b>Total borrowings</b>	<b>37,594,047</b>	38,540,142

- (a) The senior notes are guaranteed and secured by equity interests of certain non-PRC subsidiaries.

The total amount of senior notes in default or cross-default was RMB14,489,681,000 (2024: RMB15,017,933,000) as at 31 December 2025.

- (b) The ABS was pledged by the right of receipt of proceeds arising from the Group’s sales of certain properties or rental income.

- (c) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 33.

The total amount of borrowings from financial institutions in default or cross-default was RMB11,675,086,000 (2024: RMB10,632,570,000) as at 31 December 2025.

As at 31 December 2025, several financial institutions have initiated litigations against the Group to settle outstanding borrowings involving subject amount of approximately RMB3,533,205,000. The litigations were ongoing as at 31 December 2025.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

### 26 Borrowings (continued)

(d) At 31 December, the Group's borrowings were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	33,513,645	30,551,151
Between 1 and 2 years	2,151,402	7,109,991
Between 2 and 5 years	1,929,000	879,000
	<b>37,594,047</b>	38,540,142

(e) The weighted average effective interest rates are as follows:

	2025	2024
Senior notes	8.41%	8.41%
Asset backed securities	5.20%	5.20%
Corporate bonds	6.79%	6.88%
Borrowings from financial institutions	6.11%	6.29%

(f) The Group's borrowings were denominated:

	2025 RMB'000	2024 RMB'000
— RMB	23,104,366	23,522,209
— US\$	14,489,681	15,017,933
	<b>37,594,047</b>	38,540,142

(g) The fair value of senior notes as at 31 December 2025 was approximately RMB189,166,000 (2024: RMB293,090,000), which was quoted in Singapore Exchange Securities Trading Limited and within level 1 of the fair value hierarchy. The carrying amounts of borrowings other than senior notes approximate their fair values as at 31 December 2025 (2024: same) as either the impact of discounting were not significant or the borrowings carry floating rates of interests. Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 3.1.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 27 Deferred tax liabilities

(i) The analysis of deferred tax liabilities is as follows:

	2025 RMB'000	2024 RMB'000
Deferred tax liabilities		
— to be recovered within 12 months	—	—
— to be recovered after 12 months	(1,351,140)	(1,300,653)
<b>Total deferred tax liabilities</b>	<b>(1,351,140)</b>	<b>(1,300,653)</b>

	2025 RMB'000	2024 RMB'000
At 1 January	(1,300,653)	(593,047)
Credited to the consolidated income statement (Note 13)	(50,487)	(683,173)
Disposal of subsidiaries (Note 34(a))	—	(24,433)
<b>At 31 December</b>	<b>(1,351,140)</b>	<b>(1,300,653)</b>

(ii) The movement in deferred tax assets and liabilities before set-off during the years are as follows:

	Deferred tax assets – tax losses and others RMB'000	Deferred tax liabilities – fair value gains on investment properties RMB'000	Deferred tax liabilities – excess of carrying amount of PUD and PHS over the tax bases RMB'000
At 1 January 2024	1,141,658	(892,275)	(842,430)
Disposal of subsidiaries (Credited)/charged to the consolidated income statement	(32,435) (1,109,223)	8,002 128,181	— 297,869
<b>At 31 December 2024</b>	<b>—</b>	<b>(756,092)</b>	<b>(544,561)</b>
At 1 January 2025	—	(756,092)	(544,561)
Charged/(credited) to the consolidated income statement	—	37,163	(87,650)
<b>At 31 December 2025</b>	<b>—</b>	<b>(718,929)</b>	<b>(632,211)</b>

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 28 Dividend

The Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

## 29 Trade and other payables

	2025 RMB'000	2024 RMB'000
Trade payables (Note (a))	7,441,903	8,857,175
Notes payable	155,513	207,226
Other payable:		
— Amounts due to non-controlling interests	3,800,450	4,462,336
— Deposits received from property purchasers	354,344	490,033
— Other taxes payable	3,820,898	3,136,920
— Interests payable	8,969,572	6,685,686
— Deposits from contractors and suppliers	909,786	1,024,197
— Accrued payroll	81,942	91,035
— Dividend payable	27,539	5,281
— Provisions (note (b))	234,194	134,485
— Others	79,245	60,879
	<b>25,875,386</b>	<b>25,155,253</b>

(a) The ageing analysis of the trade payables is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	605,451	2,620,210
Over one year	6,836,452	6,236,965
	<b>7,441,903</b>	<b>8,857,175</b>

(b) During the year ended 31 December 2025, the Group received several court orders which were filed by its suppliers for failure to perform the obligation under the suppliers' contracts. According to the Group's in-house legal adviser, the Directors estimated that the Group may therefore be liable for payables, interest and default of approximately RMB234,194,000 (2024: RMB134,485,000).

(c) The carrying amounts of trade and other payables were considered to be approximate to their fair values.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 30 Cash flow information

### (a) Net cash generated from/(used in) operating activities:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax	<b>(11,919,910)</b>	(9,765,955)
Adjustments for:		
– Depreciation charges on property, plant and equipment	<b>66,236</b>	75,510
– Net impairment losses on financial assets	<b>3,585,756</b>	3,808,945
– Finance costs – net	<b>2,252,656</b>	2,637,617
– Interest income	<b>(26,327)</b>	(18,616)
– Amortisation of intangible assets	<b>—</b>	310
– Depreciation of right-of-use assets	<b>13,350</b>	23,926
– Provision for write-down of properties under development and completed properties held for sale	<b>5,444,891</b>	5,018,167
– Provision for write-down of investment accounted for using the equity method	<b>566,051</b>	545,542
– Gains from disposal of property, plant and equipment	<b>(259)</b>	—
– Fair value losses on investment properties	<b>148,655</b>	532,504
– Share of net profits of investments accounted for using the equity method	<b>(45,151)</b>	(146,562)
– Fair value (gain)/loss on financial assets at FVPL	<b>(2,953)</b>	2,097
– (Gain)/loss from disposal of associate and joint ventures	<b>(117,750)</b>	158,611
– Loss on disposal of subsidiaries	<b>309,814</b>	—
– Gain on debt restructuring	<b>(131,501)</b>	—
Changes in working capital:		
– Properties under development and completed properties held for sale	<b>6,989,499</b>	19,610,414
– Contract assets and contract cost	<b>15,873</b>	591,346
– Trade and other receivables	<b>(751,654)</b>	(3,499,002)
– Prepayments	<b>97,519</b>	1,235,914
– Contract liabilities	<b>(3,946,831)</b>	(25,610,417)
– Trade and other payables	<b>(1,426,339)</b>	3,891,802
– Amounts due to related parties	<b>(56,116)</b>	(104,589)
– Restricted cash	<b>625,143</b>	654,362
Cash generated from (used in) operations	<b>1,690,652</b>	(358,074)

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 30 Cash flow information (continued)

#### (b) Non-cash financing activities

No major non-cash transactions incurred during the years ended 31 December 2025 and 2024.

#### (c) Reconciliation of liabilities arising from financing activities

	1 January 2025 RMB'000	Financing cash flow – net RMB'000	Non-cash items RMB'000	31 December 2025 RMB'000
Borrowings	38,540,142	(392,308)	(553,787)	37,594,047
Amounts due to related parties	5,784,740	222,355	—	6,007,095
	<b>44,324,882</b>	<b>(169,953)</b>	<b>(553,787)</b>	<b>43,601,142</b>

	1 January 2024 RMB'000	Financing cash flow – net RMB'000	Non-cash items RMB'000	31 December 2024 RMB'000
Borrowings	40,828,957	(1,210,509)	(1,078,306)	38,540,142
Lease liabilities	14,516	(14,868)	352	—
Amounts due to related parties	5,626,049	158,691	—	5,784,740
	<b>46,469,522</b>	<b>(1,066,686)</b>	<b>(1,077,954)</b>	<b>44,324,882</b>

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 31 Contingent liabilities

### (a) Financial guarantee

	2025 RMB'000	2024 RMB'000
Guarantee in respect of mortgage facilities for certain purchasers (Note (i))	10,418,380	18,236,762
Guarantee provided for the borrowings of the joint ventures (Note (ii))	654,999	744,727
Guarantee provided for the borrowings of associates (Note (ii))	913,856	1,077,302
As at 31 December	<b>11,987,235</b>	20,058,791

- (i) 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. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgage loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. The repayment was on schedule and the risk of default in payment was remote. The directors of the Company consider that the fair value of these financial guarantee contracts at the date of inception was minimal. The directors consider that the likelihood of loss of the Group resulting from the default in payments by purchasers is minimal and therefore no provision has been made in the consolidated financial statements for the financial guarantee contracts.

- (ii) Amounts represented the maximum exposure of the guarantees provided by the Group. The repayment was on schedule and the risk of default in payment was remote. The directors of the Company consider that the fair value of these financial guarantee contracts at the date of inception was minimal. The directors consider that the likelihood of loss of the Group resulting from the default in payments by joint ventures and associates is minimal and therefore no provision has been made in the consolidated financial statements for the financial guarantee contracts.

### (b) Litigations

Certain counterparties have initiated litigations against the Group to settle matters relating to outstanding borrowings, unpaid construction work, etc., involving an aggregated subject amount of approximately RMB4.7 billion, including approximately 30 cases with an amount of more than RMB10 million each. The Directors have assessed the impact of the aforesaid litigations on these consolidated financial statements for the year ended 31 December 2025 and have included a corresponding provision in the Group's consolidated financial statements. The Group is also actively negotiating with the relevant creditors and seeking various measures to resolve the litigations.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

**32 Commitments**

- (a) Commitments for property development expenditures and equity investments as at 31 December 2025 and 2024 were as follows:

	2025 RMB'000	2024 RMB'000
Contracted but not provided for		
— Property development activities	<b>10,178,190</b>	11,899,982
— Land use rights	<b>974,652</b>	1,165,617
	<b>11,152,842</b>	13,065,599

**(b) Operating leases commitments – the Group as lessee**

As at 31 December 2025, the Group did not have any material short-term and low-value lease commitment (2024: same).

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 33 Assets pledged as security

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	924,543	954,188
Land use rights	16	140,089	91,844
Investment properties	17	3,778,320	3,654,272
Total non-current assets pledged as security		4,842,952	4,700,304
<b>Current assets</b>			
Properties under development and completed properties held for sale	20	19,625,492	28,727,117
Total current assets pledged as security		19,625,492	28,727,117
<b>Total assets pledged as security</b>		<b>24,468,444</b>	<b>33,427,421</b>

All above assets of the Group are pledged as security for the borrowings of RMB14,616,165,000 (2024: RMB14,922,621,000) from financial institutions of the Group as at 31 December 2025 (Note 26).

Investments amounting to approximately RMB1,688,401,200 (2024: RMB1,688,401,200) in certain subsidiaries directly or indirectly held by the Company were pledged as security for borrowings of the Group at 31 December 2025.

As at 31 December 2025, buildings with net book amount of approximately RMB924,543,000 (2024: RMB954,188,000) have been pledged to secure bank borrowings granted to the Group (note 15).

As at 31 December 2025, land use rights of RMB140,089,000 (2024: RMB91,844,000) of the Group are pledged as security for the borrowings of the Group (note 16).

As at 31 December 2025, investment properties of retail stores of approximately RMB3,534,320,000 (2024: RMB3,401,272,000) and car parking spaces of approximately RMB244,000,000 (2024: RMB253,000,000) have been pledged to secure asset backed securities borrowings granted to the Group (note 17).

As at 31 December 2025, properties under development of RMB16,159,652,000 (2024: RMB16,290,519,000) and completed properties held for sale of RMB3,465,840,000 (2024: RMB12,436,598,000) were pledged as security for the borrowings of the Group. (note 20).

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2025

## 34 Disposal of subsidiaries

### (a) Summary of disposal of Subsidiaries

- (i) During the years ended 31 December 2025 and 2024, the Group disposed of certain subsidiaries engaged in property development in the PRC to independent third parties. The financial impacts arising from the acquisition are summarised as follows:

	2025 RMB'000	2024 RMB'000
Cash considerations received or receivable (note 1)	<b>(103,343)</b>	(610,000)
Total net assets disposed of (note 2)	<b>916,484</b>	4,751,800
Non-controlling interest disposed of	<b>(503,327)</b>	(2,430,098)
Loss on disposal	<b>309,814</b>	1,711,702

Note:

1. Cash considerations received or receivable are as follows:

	2025 RMB'000	2024 RMB'000
Cash considerations received	<b>103,343</b>	100,000
Cash considerations receivable	—	510,000
Total cash considerations	<b>103,343</b>	610,000

2. Summarized financial information in relation to the total net assets disposed of is presented below:

	2025 RMB'000	2024 RMB'000
Current assets	<b>1,052,456</b>	<b>5,131,300</b>
Non-current assets	<b>8</b>	<b>373,900</b>
Current liabilities	<b>(135,980)</b>	<b>(745,400)</b>
Non-current liabilities	—	<b>(8,000)</b>
Total net assets disposed of	<b>916,484</b>	<b>4,751,800</b>

- (ii) The cash impact arising from the disposals in above transactions are summarised as follows:

	2025 RMB'000	2024 RMB'000
Cash considerations received	<b>103,343</b>	100,000
Cash and cash equivalents of the subsidiaries disposed of	<b>(32,019)</b>	(50,180)
	<b>71,324</b>	49,820

Notes to the Consolidated Financial Statements  
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## 35 Significant related party transactions

### (a) Parent entities

The Group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest As at 31 December	
			2025	2024
Dingxin Company Limited ("Dingxin")	Immediate parent company of the Company	BVI	65.17%	65.17%
TMF (Cayman) Limited	Ultimate parent entity and controlling party	The Cayman Islands	65.17%	65.17%

### (b) Subsidiaries

Interests in subsidiaries are set out in Note 11(a).

### (c) Major related parties during the year with the Group are as follows:

Related parties	Relationship with the Group
Mr. Ou	Controlling Shareholder and Director of the Company
Ronshine Service Holding Co., Ltd. 融信服務集團股份有限公司	A Company Controlled by the Controlling Shareholder
Xiujing (Fujian) Landscape Engineering Co., Ltd. 秀景(福建)園林工程有限公司	A Company Controlled by the Controlling Shareholder
Baoding Zhitai Real Estate Development Co., Ltd. 保定智泰房地產開發有限公司	Joint Venture
Chengdu Haotian Real Estate Development Co., Ltd. 成都浩天房地產開發有限公司	Joint Venture
Chengdu Longtengjinrui Property Co., Ltd. 成都隆騰錦瑞置業有限公司	Joint Venture
Cixi Jingui Property Co., Ltd. 慈溪市金桂置業有限公司	Joint Venture
Fuzhou Taijiang Rongdaxin Investment Co., Ltd. 福州市台江區融達信投資有限公司	Joint Venture

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 35 Significant related party transactions (continued)

(c) Major related parties during the year with the Group are as follows: (continued)

Related parties	Relationship with the Group
Fujian Taijiang Rongxinxiang Investment Co., Ltd. 福州市台江區融鑫祥投資有限公司	Joint Venture
Fuzhou Rongxinglan Real Estate Development Co., Ltd. 福州融興藍房地產開發有限公司	Joint Venture
Hairong (Zhangzhou) Real Estate Co., Ltd. 海融(漳州)房地產有限公司	Joint Venture
Hangzhou Kaichuang Property Co., Ltd. 杭州愷創置業有限公司	Joint Venture
Hangzhou Lin'an Longxing Real Estate Development Co., Ltd. 杭州臨安龍興房地產開發有限公司	Joint Venture
Hangzhou Qiantang Real Estate Development Co., Ltd. 杭州乾唐房地產開發有限公司	Joint Venture
Hangzhou Rongdi Real Estate Development Co., Ltd. 杭州融棣房地產開發有限公司	Joint Venture
Hangzhou Xingrong Property Co., Ltd. 杭州星榮置業有限公司	Joint Venture
Hangzhou Xingxu Business Consulting Co., Ltd. 杭州星旭商務諮詢有限公司	Joint Venture
Hangzhou Yuansi Enterprise Management Co., Ltd. 杭州遠斯企業管理有限公司	Joint Venture
Huzhou Rongda Real Estate Development Co., Ltd. 湖州融達房地產開發有限公司	Joint Venture
Jiujiang Rongxi Real Estate Development Co., Ltd. 九江融壘房地產開發有限公司	Joint Venture
Mianyang Wanwei Jincai Real Estate Development Co., Ltd. 綿陽萬為金彩房地產開發有限公司	Joint Venture
Nanjing Langqian Real Estate Co., Ltd. 南京朗乾置業有限公司	Joint Venture
Nanjing Taiyi Hexin Enterprise Management Consulting Co., Ltd. 南京泰熠和信企業管理諮詢有限公司	Joint Venture
Shanghai Jinlu Property Co., Ltd. 上海錦祿置業有限公司	Joint Venture

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 35 Significant related party transactions (continued)

(c) Major related parties during the year with the Group are as follows: (continued)

Related parties	Relationship with the Group
Shanghai Kaidai Real Estate Development Co., Ltd. 上海愷岱房地產開發有限公司	Joint Venture
Suzhou Rongpu Property Co., Ltd. 蘇州融樸置業有限公司	Joint Venture
Taicang Jinyi Real Estate Co., Ltd. 太倉錦意置業有限公司	Joint Venture
Xi'an Dihang Real Estate Development Co., Ltd. 西安迪航房地產開發有限公司	Joint Venture
Tianjin Jinrui Property Co., Ltd. 天津金銳置業有限公司	Joint Venture
Tianjin Xinteng Real Estate Information Consultancy Co., Ltd. 天津鑫勝房地產資訊諮詢有限公司	Joint Venture
Zhoushan Kairong Real Estate Development Co., Ltd. 舟山愷融房地產開發有限公司	Joint Venture
Jiangmen Rongchang Real Estate Development Co., Ltd. 江門市融昌房地產開發有限公司	Joint Venture
Nanjing Huihe Property Co., Ltd. 南京薈合置業有限公司	Joint Venture
Kunshan Xingwei Property Co., Ltd. 昆山興未置業有限公司	Joint Venture
Jinhua Tianxi Property Co., Ltd. 金華天璽置業有限公司	Joint Venture
Qingdao West Coast Tianze Construction Development Co., Ltd. 青島西海岸天澤建設發展有限公司	Joint Venture
Bengbu Bicheng Real Estate Development Co., Ltd. 蚌埠市碧誠房地產開發有限公司	Joint Venture
Fuyang Greenland Property Co., Ltd. 阜陽綠地置業有限公司	Joint Venture
Nantong Fulaoer Trading Co., Ltd. 南通富勞邇貿易有限公司	Joint Venture
Fuzhou Taijiang Rongmeide Investment Co., Ltd. 福州台江區融美德投資有限公司	Joint Venture

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 35 Significant related party transactions (continued)

(c) Major related parties during the year with the Group are as follows: (continued)

Related parties	Relationship with the Group
Hangzhou Wanjing Property Co., Ltd. 杭州萬璟置業有限公司	Joint Venture
Fuzhou Hongbailong Real Estate Development Co., Ltd. 福州泓百隆房地產開發有限公司	Joint Venture
Fuzhou Yubaichuan Real Estate Development Co., Ltd. 福州裕百川房地產開發有限公司	Joint Venture
Putian Rongwanjun Real Estate Development Co., Ltd. 莆田融萬駿房地產開發有限公司	Joint Venture
Shaanxi Baoyi Yiliang Real Estate Co., Ltd. 陝西保億億亮置業有限公司	Joint Venture
Xuzhou Tianmei Real Estate Development Co., Ltd. 徐州天美房地產開發有限公司	Joint Venture
Jinhua Ruiying Real Estate Co., Ltd. 金華市瑞盈房地產有限公司	Joint Venture
Fujian Rongteng Property Co., Ltd. 福建融騰置業有限公司	Joint Venture
Hangzhou Zhongxu Property Co., Ltd. 杭州眾旭置業有限公司	Joint Venture
Rong Rui Co., Ltd. 融瑞有限公司	Associate
Chengdu Jinfenghua Property Co., Ltd. 成都金豐華置業有限公司	Associate
Hangzhou Binming Enterprise Management Co., Ltd. 杭州濱銘企業管理有限公司	Associate
Hangzhou Longyi Real Estate Development Co., Ltd. 杭州龍毅房地產開發有限公司	Associate
Hangzhou Meishengmei Property Co., Ltd. 杭州美生美置業有限公司	Associate
Hangzhou Mingyu Real Estate Development Co., Ltd. 杭州銘昱房地產開發有限公司	Associate
Hangzhou Rongqia Industrial Co., Ltd. 杭州融洽實業有限公司	Associate
Hangzhou Rongxin Real Estate Development Co., Ltd. 杭州融歆房地產開發有限公司	Associate
Hangzhou Wanfeng Real Estate Development Co., Ltd. 杭州萬楓房地產開發有限公司	Associate

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 35 Significant related party transactions (continued)

(c) Major related parties during the year with the Group are as follows: (continued)

Related parties	Relationship with the Group
Hangzhou Zhehan Real Estate Development Co., Ltd. 杭州哲瀚房地產開發有限公司	Associate
Qingdao West Coast Kechuang Investment Development Co., Ltd. 青島西海岸科創投資開發有限公司	Associate
Yongtai Baolong Real Estate Development Co., Ltd. 永泰寶龍房地產開發有限公司	Associate
Fuzhou Wanxi Real Estate Co., Ltd. 福州市萬曦房地產有限公司	Associate
Zhangzhou Binshui Property Co., Ltd. 漳州市濱水置業有限公司	Associate
Hangzhou Lvcheng Wangxi Real Estate Development Co., Ltd. 杭州綠城望溪房地產開發有限公司	Associate
Hangzhou Jinhong Real Estate Development Co., Ltd. 杭州錦虹房地產開發有限公司	Associate
Suzhou Kaixingyu Real Estate Development Co., Ltd. 蘇州愷星鈺房地產開發有限公司	Associate
Jiangmen Hongshun Real Estate Development Co., Ltd. 江門市弘順房地產開發有限公司	Associate
Jiaxing Zhenyue Property Co., Ltd. 嘉興臻嶽置業有限公司	Associate
Nanjing Jintai Real Estate Development Co., Ltd. 南京錦泰房地產開發有限公司	Associate
Hangzhou Ronglang Real Estate Development Co., Ltd. 杭州融朗房地產開發有限公司	Associate
Hangzhou Yuqian Real Estate Development Co., Ltd. 杭州譽乾房地產開發有限公司	Associate
Yueqing Rongliang Real Estate Development Co., Ltd. 樂清市融梁房地產開發有限公司	Associate
Fuzhou Yuxiang Real Estate Co., Ltd. 福州市禹翔房地產有限公司	Associate
Nantong Jianghe Property Co., Ltd. 南通江河置業有限公司	Associate
Shaanxi Shengshi Haihong Real Estate Development Co., Ltd. 陝西盛世海宏房地產開發有限公司	Associate
Zhenjiang Yiteng Real Estate Development Co., Ltd. 鎮江億騰房地產開發有限公司	Associate

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or were available.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 35 Significant related party transactions (continued)

#### (d) Compensation of Key management personnel

Compensation of key management personnel other than those for directors as disclosed in Note 8(a) is set out below.

	2025 RMB'000	2024 RMB'000
Compensation of Key management personnel:		
– Salaries and other employee benefits	3,525	3,525
– Pension costs	213	211
	<b>3,738</b>	3,736

#### (e) Transactions with related parties

Save as disclosed elsewhere in these consolidated financial statements, during the year ended 31 December 2025 and 2024, the Group had the following significant transactions with related parties.

##### Services provided by related parties

	2025 RMB'000	2024 RMB'000
Property management services		
Other related party	37,555	32,141
– Ronshine Service Holding Co., Ltd.	37,555	32,141
Landscape engineering services		
Others	16,939	29,585
– Xiujing (Fujian) Landscape Engineering Co., Ltd.	16,939	29,585

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 35 Significant related party transactions (continued)

#### (e) Transactions with related parties (continued)

	2025 RMB'000	2024 RMB'000
Interest income received from:		
– Joint ventures	26,327	19,194
– Associates	—	—
	<b>26,327</b>	19,194
Consultation services provided to:		
– Joint ventures	46,574	23,569
– Associates	1,226	16,026
	<b>47,800</b>	39,595

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

Refer to Note 31 for information on guarantee provided for the borrowings of the joint ventures by the Group.

The transactions with Ronshine Service Holding Co., Ltd. and Xiujing (Fujian) Landscape Engineering Co., Ltd. were continued connected transactions and approved by shareholders.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 35 Significant related party transactions (continued)

#### (f) Balances with related parties

	2025 RMB'000	2024 RMB'000
Amounts due from related parties		
– Joint ventures	1,980,481	2,002,280
– Associates	637,728	1,200,490
– Other related parties	11,937	29,738
– Xiujing (Fujian) Landscape Engineering Co., Ltd.	1,120	1,143
– Ronshine Service Holding Co., Ltd.	10,817	28,595
	<b>2,630,146</b>	3,232,508
Amounts due to related parties		
– Joint ventures	3,308,771	3,063,428
– Associates	2,472,538	2,439,410
– Other related parties	225,786	281,902
– Mr. Ou	109,750	109,750
– Ronshine Service Holding Co., Ltd.	65,760	92,150
– Xiujing (Fujian) Landscape Engineering Co., Ltd.	50,276	80,002
	<b>6,007,095</b>	5,784,740

Amounts due from related parties mainly represented the cash advances made to related parties which are unsecured, repayable on demand and denominated in RMB.

Amounts due to Ronshine Service Holding Co., Ltd. mainly represented the payables of property management fees which were unsecured, interest-free, to be settled according to agreed terms and were denominated in RMB.

Amounts due to Xiujing (Fujian) Landscape Engineering Co., Ltd. mainly represented the payables of landscape engineering services fee which were unsecured, interest free, to be settled according to agreed terms and were denominated in RMB.

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

## 36 Balance sheet and reserve movements of the Company

### Balance sheet of the Company as at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries		2,032,986	2,032,986
Amounts due from subsidiaries		11,863,003	14,344,293
Financial assets at fair value through profit or loss		3,250	1,422
Total non-current assets		13,899,239	16,378,701
<b>Current assets</b>			
Amounts due from related parties		340,884	15,058
Other receivables		26,522	5,968
Cash and bank balances		998	5,935
Total current assets		368,404	26,961
<b>Total assets</b>		<b>14,267,643</b>	16,405,662
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		15	15
Share premium	(a)	3,082,681	3,082,681
Other reserves	(a)	(7,910,004)	(6,475,165)
<b>Total equity</b>		<b>(4,827,308)</b>	(3,392,469)

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 36 Balance sheet and reserve movements of the Company (continued)

#### Balance sheet of the Company as at 31 December 2025 (continued)

	Notes	2025 RMB'000	2024 RMB'000
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings		14,489,681	15,017,933
Other payables		5,281	37,560
Amounts due to subsidiaries		4,599,989	4,742,638
Total current liabilities		19,094,951	19,798,131
<b>Total liabilities</b>		19,094,951	19,798,131
<b>Total equity and liabilities</b>		14,267,643	16,405,662

The balance sheet of the Company was approved and authorised for issue by the Board of Directors on 31 March 2026 and was signed on its behalf by:

**Ou Zonghong**

Director

**Zeng Feiyan**

Director

Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2025

### 36 Balance sheet and reserve movements of the Company (continued)

#### (a) Reserve movements of the Company

	Other reserves		
	Share premium RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>For the year ended</b>			
<b>31 December 2024</b>			
At 1 January 2024	3,082,681	(5,066,443)	(1,983,762)
Loss for the year	—	(1,408,722)	(1,408,722)
At 31 December 2024	3,082,681	(6,475,165)	(3,392,484)
<b>For the year ended</b>			
<b>31 December 2025</b>			
At 1 January 2025	<b>3,082,681</b>	<b>(6,475,165)</b>	<b>(3,392,484)</b>
Loss for the year	—	<b>(1,434,839)</b>	<b>(1,434,839)</b>
At 31 December 2025	<b>3,082,681</b>	<b>(7,910,004)</b>	<b>(4,827,323)</b>

## FIVE YEARS' FINANCIAL SUMMARY

### CONSOLIDATED RESULTS

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	<b>7,107,576</b>	29,781,887	44,285,273	30,059,292	33,284,014
(Loss)/Profit for the year attributable to owners of the Company	<b>(9,958,491)</b>	(12,002,306)	(5,919,667)	(11,234,836)	1,295,049

### CONSOLIDATED ASSETS, LIABILITIES AND EQUITY

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-current assets	<b>18,883,154</b>	19,808,380	22,121,806	20,475,253	27,572,230
Current assets	<b>62,293,807</b>	79,777,623	125,189,871	168,757,099	217,867,609
Total assets	<b>81,176,961</b>	99,586,003	147,311,677	189,232,352	245,439,839
Non-current liabilities	<b>5,431,542</b>	9,289,644	13,672,487	23,911,017	35,878,011
Current liabilities	<b>82,490,568</b>	83,422,051	110,851,163	134,686,811	157,280,878
Total liabilities	<b>87,922,110</b>	92,711,695	124,523,650	158,597,828	193,158,889
Total equity	<b>(6,745,149)</b>	6,874,308	22,788,027	30,634,524	52,280,950
Total equity/(deficit) attributable to shareholders of the Company	<b>(21,712,263)</b>	(11,753,772)	248,534	6,186,967	18,304,598