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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 754)

website: <http://www.irasia.com/listco/hk/hopson>

(1) FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025
AND
(2) CONTINUED SUSPENSION OF TRADING

FINANCIAL HIGHLIGHTS

(for the year ended 31 December 2025)

- Turnover was HK\$17,851 million (2024: HK\$37,834 million).
- Loss attributable to equity holders of the Company was HK\$11,741 million (2024: Profit HK\$120 million).
- Underlying profit was HK\$1,207 million (2024: HK\$3,123 million).
- Basic and diluted loss per share was HK\$3.10 (2024: basic and diluted earnings per share was HK\$0.03).

* For identification purposes only

BUSINESS REVIEW

Industry Overview

In 2025, the global economic environment once again faced multiple challenges. Due to intensified international tariff friction, increasing geopolitical tensions and deepening uncertainty over trade policy, the financial market exhibited strong volatility. The combination of these external factors had created unprecedented pressure on the global economy in a complicated manner. The year also marked the conclusion of the 14th Five-Year Plan and the beginning of the 15th Five-Year Plan of China, which carried strategic significance in connecting the past and the future for Chinese modernization. Against the backdrop of a slowdown in global economic growth in general, China's economy tackled difficulties head-on and made steady progress to realize new and quality development in a continuous manner. For the first time, China adopted a more forceful approach in its proactive fiscal policy and implemented a moderately accommodative monetary policy once again after fourteen years, injecting strong momentum into the economic recovery. According to data from the National Bureau of Statistics, China's gross domestic product (GDP) grew by 5.0% year-on-year with a total economic output surpassing RMB140 trillion, successfully achieving the primary economic and social development targets for the year. China continued to maintain a leading position among the world's major economies, fully demonstrating a resilient and solid foundation as well as vigorous vitality.

Over the past year, China's real estate market demonstrated a complex pattern characterized by the co-existence of "strong policies" and a "weak market". In March, the concept of "better house" was incorporated into the Report on the Work of the Government for the first time to explicitly steer the industry toward product iteration of higher quality. However, starting from the second quarter, the momentum of new house sales margin weakened and the overall market remained in a critical transitional period of "curbing decline and restoring stability". In August, it was reiterated in a State Council meeting that it would be necessary to "take strong measures to consolidate the momentum of curbing decline and restoring stability in the real estate market", sending a clear and positive policy signal. The "15th Five-Year Plan Recommendations" released in October further proposed "promoting high-quality development of real estate" and emphasized lifting unreasonable restrictive measures on housing consumption, demonstrating forward-looking planning on a policy level and institutional resolve. The Central Economic Work Conference in December made comprehensive deployment for the next stage in terms of controlling increment, reducing inventory and improving supply, placing emphasis on "endeavoring to stabilize the real estate market", thereby boosting the coherence, consistency and practicality of the policy framework. It highlighted China's unprecedented determination and strength on the policy front, promoting steady market operations through multiple measures. On the market front, however, as domestic demand had yet to fully recover, the industry's rebound proved to be temporary and entered an adjustment phase again to reach a new equilibrium. This process not only represented natural cyclical fluctuations, but also an inevitable element for the industry's transformation and upgrading. Looking back on the year, as urban development shifted from large-scale incremental expansion to a new stage of improving the quality and efficiency of inventory, the real estate industry was caught at a critical juncture of profound adjustment and restructuring. With the accelerated establishment of a new model and gradual formation of a new supply system, the industry continued to strengthen its fundamentals for high-quality development.

At this critical window of profound adjustment and re-structuring in the real estate industry, while most enterprises focused on “survival and stability,” the Group has already entered a new stage of “seeking development”. With a forward-looking strategic vision, the Group has proactively embraced changes, seized opportunities arising from industry transformation, comprehensively promoted transformation and upgrading, thereby forging a path of high-quality development that aligns with its own strengths and boasts long-term vitality to gain the initiative in the new cycle. As a high-quality lifestyle service operator with presence throughout the industry chain, the Group consistently focuses on high-tier cities and builds its core competitiveness around high-standard positioning and outstanding product capabilities to enhance its capabilities in the design, construction and integrated operation of high-end residential properties in a continuous manner. The Group insists on putting “customer needs” first, building on “product strength” to actively practice the concept of “better house” and consistently delivering quality works of contemporary value to cities and customers. In addition, the Group is committed to light asset business export, leveraging the brand reputation and customer trust cultivated through years of effort in the high-end market to speed up the development of commissioned construction and sales business, further expand scale and optimize business structure, thus developing an important driver in the transition from asset-driven to capability-driven operation. With its deep comprehensive operating capabilities, the Group has achieved breakthrough in a diversified layout: its “M-series” brand’s commissioned construction and sales and commercial operation management businesses have all achieved rapid growth, not only generating stable and continuous cash flow, but also gradually becoming new profit growth points that guide the Group through cycles.

In fulfilling social responsibility, the Group always remains true to its original aspirations and regards “ensuring housing delivery” as one of its most important missions. It not only highlights the Group’s product strength, but also marks the first step in delivering quality living to cities and customers. With regard to financial management, the Group continues to implement a diversified financing strategy to safeguard long-term healthy development with sound and prudent financial principles. During the year, it successfully achieved zero offshore debt, utilized its quality land reserves to create a solid foundation for future sustainable development and demonstrated strong resilience as well as confidence amid a volatile industry environment.

Contracted sales performance

Properties sold under sale and pre-sale contracts in 2025 amounted to a total of RMB 15,607 million (2024: RMB16,629 million), including contracted sales of properties of RMB13,912 million (2024: RMB15,905 million) and contracted sales of decoration of RMB1,695 million (2024: RMB724 million). The decrease in sales was primarily attributable to a decline in activity in the real estate sector, and the fact that sales made during the year were mainly focused on the existing units and phases. Details are as follows:

- In Guangzhou, a total GFA of 205,586 square metres (2024: 103,988 square metres) with a carrying value of RMB3,521 million (2024: RMB2,558 million) was sold.
- In Huizhou, a total GFA of 61,153 square metres (2024: 71,277 square metres) with a carrying value of RMB394 million (2024: RMB678 million) was sold.
- In Shanghai, a total GFA of 155,423 square metres (2024: 186,800 square metres) with a carrying value of RMB5,973 million (2024: RMB9,168 million) was sold.
- In Beijing and Tianjin, a total GFA of 179,555 square metres (2024: 170,853 square metres) with a carrying value of RMB5,719 million (2024: RMB4,225 million) was sold.

Properties sold but yet to be delivered

As at 31 December 2025, the GFA in respect of which the Group had entered into sale and pre-sale contracts and yet to be delivered to buyers was 774,452 square metres (2024: 844,098 square metres). Following the delivery of these properties, the proceeds received therefrom totalling HK\$24,925 million will be recognised as revenue in the Group's financial statements in 2026 and thereafter.

Delivery of properties

A total GFA of 425,809 square metres (2024: 816,629 square metres) was delivered in 2025.

Project development progress

- A total GFA of 479,596 square metres (2024: 1,211,909 square metres) was completed during 2025.
- It is expected that a total GFA of 2,273,629 square metres will be completed in 2026.

Landbank

As at 31 December 2025, the Group had a landbank of 26.14 million square metres (31 December 2024: 26.80 million square metres).

Prospects

Looking ahead to 2026, substantial uncertainties will loom over the global economy. Given persistent rivalry between major countries and frequent geopolitical conflicts, multiple factors, including policy divergence, high debt levels and technological transformation, will continue to constrain the momentum of global economic recovery. While the global economy is expected to stagger with “fragile resilience”, China’s economy enters the opening year of the 15th Five-Year Plan, which marks a new historical starting point. Although structural challenges persist, such as the pronounced imbalance of strong supply and weak demand in the domestic market, a prolonged slump in the real estate market and ongoing deflationary pressures, the positive underlying conditions and fundamental trend in the long run remain unchallenged due to the economic foundation, prominent advantages, sufficient resilience and enormous potential of China’s economy. It is expected that domestic macro policies will maintain a proactive approach and implement structural adjustments with a clearer direction, endeavoring to further emphasize areas including technological self-reliance and innovation, advanced manufacturing, new infrastructure, livelihood insurance and high-quality consumer supply. This will promote a virtuous cycle and balanced development between domestic supply and demand more efficiently, thereby creating a crucial force for China to achieve high-quality growth in a complex environment.

As an important pillar of the domestic economy, real estate is entering a new stage of profound structural adjustment. The Central Economic Work Conference and the National Housing and Urban-Rural Development Work Conference held at the end of 2025 provided clear, explicit and practical guidance for the future direction of the real estate market, placing emphasis on “endeavoring to stabilize the real estate market” and proposing core requirements of “implementing city-specific policies to control increments, reduce inventory and improve supply”. It sets the fundamental policy tone of balancing stability with adjustment and laid the underlying framework for market participants to stabilize expectations and rebuild confidence. As relevant ancillary policies are being successively introduced and implemented throughout 2026, the real estate market is expected to undergo more explicit and positive changes across multiple aspects, including policy direction, supply-demand structure, product supply and development models. The market’s operating logic is also shifting from high-speed growth in the past to quality enhancement and structural optimization. The real estate market is anticipated to enter a new normal characterized by “stable operation, quality improvement and controlled risks”, which represents a substantial correction to the industry’s past cyclical fluctuations, but also a proactive response to the requirements of high-quality development, implying that the industry will embrace a healthier and more sustainable development landscape.

Facing the market environment characterized by deepening industry adjustment and accelerated quality competition in 2026, the Group will closely align with national policy directions, anchor around the development objectives of the 15th Five-Year Plan and uphold a prudent and robust core strategy, actively seizing transformation opportunities on the premise of effective risk control. To echo the industry direction of “enhancing quality and efficiency”, the Group will continue to optimize its business structure, utilize its light asset models, such as commissioned construction and sales, to focus on the demand for upgrade in high-tier cities, promote comprehensive improvement across “product strength, service competency, ancillary supporting and delivery capability” and continue to practice the concept of “better house” as well as the brand proposition of “enjoying high-quality lifestyle”. At the same time, the Group will adhere to its core commitments of “ensuring delivery, quality and livelihood”, consolidate corporate operational resilience with mature quality control and prudent financial discipline and further enhance asset operating efficiency, brand building as well as talent pipeline development, thus improving its integrated operating capabilities on all fronts. The Group will navigate through industry cycles to steer the industry toward a new stage of high-quality development, thereby continuously creating long-term value for shareholders, customers and society.

References are made to (i) the announcements of Hopson Development Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”) dated 31 March 2026, 1 April 2026, 28 April 2026, 24 June 2026, 6 July 2026, 24 August 2026, 26 August 2026 and 30 September 2026, respectively (collectively, the “Announcements”); and (ii) the circular of the Company dated 8 June 2026, in relation to, among other things, the delay in the publication of the final results of the Group for the year ended 31 December 2025, the change of auditor of the Company, suspension of trading of the shares of the Company (the “Shares”) on the Stock Exchange and the Stock Exchange’s guidance to the Company on the resumption of trading in the Shares (the “Resumption Guidance”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures for the previous year.

The 2025 consolidated financial statements of the Group have been reviewed by the Company’s audit committee and the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the year ended	
		31 December	
		2025	2024
		HK\$'000	HK\$'000
Revenues	4	17,850,984	37,834,224
Cost of sales	6	(11,692,563)	(28,276,127)
Gross profit		6,158,421	9,558,097
Fair value (loss)/gain on investment properties	6	(1,320,067)	2,638
Other losses, net	5	(1,844,131)	(376,869)
Selling and marketing expenses	6	(619,123)	(901,669)
General and administrative expenses	6	(1,972,428)	(1,980,131)
Finance income	7	106,331	92,607
Finance costs	7	(1,450,234)	(1,250,486)
Share of profit of associates		20,196	546,400
Share of loss of joint ventures		(30,500)	(773,324)
Other expenses	6	(10,930,877)	(2,111,375)
(Loss)/profit before taxation		(11,882,412)	2,805,888
Taxation	8	(791,392)	(1,702,511)
(Loss)/profit for the year		(12,673,804)	1,103,377
Attributable to:			
Equity holders of the Company		(11,740,868)	119,582
Non-controlling interests		(932,936)	983,795
		(12,673,804)	1,103,377
(Loss)/earnings per share attributable to ordinary equity holders of the Company (in HK\$ per share)			
— basic and diluted	9	(3.10)	0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
(Loss)/profit for the year	(12,673,804)	1,103,377
Other comprehensive (loss)/income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Assets revaluation reserve realised upon disposal of completed properties held for sale	(19,111)	(3,397)
Deferred tax	8,911	1,584
Currency translation differences	1,822,154	(1,752,872)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value loss on financial assets at fair value through other comprehensive income	(970,286)	(476,832)
Deferred tax	119,593	68,534
Share of other comprehensive loss of an associate	(3,315)	(32,022)
Currency translation differences	130,366	(121,795)
Other comprehensive income/(loss) for the year, net of tax	1,088,312	(2,316,800)
Total comprehensive loss for the year	(11,585,492)	(1,213,423)
Attributable to:		
Equity holders of the Company	(10,782,922)	(2,075,423)
Non-controlling interests	(802,570)	862,000
	(11,585,492)	(1,213,423)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Prepayments for acquisition of land		117,779	114,877
Loan receivables		2,103,455	1,702,415
Properties and equipment		4,043,423	3,204,342
Investment properties		88,313,804	85,081,273
Intangible assets		293,662	307,006
Investments in associates		3,634,762	6,077,397
Investments in joint ventures		8,485,715	7,263,128
Financial assets at fair value through other comprehensive income		1,349,178	2,325,020
Financial assets at fair value through profit or loss		454,152	645,189
Finance lease receivables		32,514	69,521
Right-of-use assets		1,403,217	1,530,560
Prepayments, deposits and other non-current assets		—	465,751
Deferred tax assets		1,403,439	1,242,335
		111,635,100	110,028,814
Current assets			
Prepayments for acquisition of land		10,769,677	10,389,009
Properties under development for sale		59,935,579	59,613,710
Completed properties for sale		26,664,273	40,884,691
Financial assets at fair value through profit or loss		240,014	511,221
Accounts receivable	11	4,241,177	4,058,715
Loan receivables		3,228,709	3,955,039
Prepayments, deposits and other current assets		13,504,550	12,415,320
Due from joint ventures		1,382,169	1,359,116
Due from associates		460,469	448,547
Due from related companies		8,091	7,291
Due from non-controlling interests		1,110,035	941,335
Contract acquisition costs		532,894	871,219
Cash and bank balances		7,662,588	11,398,148
		129,740,225	146,853,361
Total assets		241,375,325	256,882,175

		As at 31 December	
		2025	2024
	Notes	HK\$'000	HK\$'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		379,254	379,254
Reserves		82,120,614	92,903,536
		82,499,868	93,282,790
Non-controlling interests		4,817,522	5,632,692
Total equity		87,317,390	98,915,482
LIABILITIES			
Non-current liabilities			
Land cost payable		670,871	654,956
Borrowings	12	44,587,692	50,465,675
Lease liabilities		533,045	635,276
Due to non-controlling interests		1,340,382	1,323,974
Deferred tax liabilities		13,229,786	13,530,151
		60,361,776	66,610,032
Current liabilities			
Accounts payable, accruals and other payables	13	32,929,437	29,802,688
Borrowings	12	21,865,968	24,606,585
Margin loans		—	430,635
Contract liabilities		25,774,519	24,701,612
Lease liabilities		124,717	114,493
Due to associates		481,524	482,924
Due to related companies		1,996,895	1,525,703
Due to joint ventures		2,466,384	2,426,242
Current tax liabilities		8,056,715	7,265,779
		93,696,159	91,356,661
Total liabilities		154,057,935	157,966,693
Total equity and liabilities		241,375,325	256,882,175
Net assets		87,317,390	98,915,482

Notes:

(1) GENERAL INFORMATION

Hopson Development Holdings Limited (the “Company”) and its subsidiaries (together “the Group”) are mainly engaged in the development of residential properties, commercial properties investment, property management and infrastructure business in Chinese Mainland, and investments business.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda (changed with effective from 3 August 2026). The immediate holding company and ultimate holding company is Sounda Properties Limited, a company incorporated in the British Virgin Islands.

The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements have been approved for issue by the Board of Directors on 28 October 2026.

(2) BASIS OF PREPARATION

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

Going concern basis

As at 31 December 2025, the Group had short-term bank borrowings of HK\$21,865,968,000, while its cash and cash equivalents amounted to HK\$7,076,381,000. The Group had not repaid an aggregate amount of principal and interest of HK\$6,553,273,000 for certain borrowings according to their scheduled repayment dates, resulting in events of default (the “Defaulted Borrowings”) which further triggered cross-defaults of certain bank and financial institution borrowings with an aggregate amount of HK\$6,528,513,000.

Further details of the Group’s borrowings, including the Defaulted Borrowings and borrowings subject to cross-default provisions, are set out in Note 12.

The above conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In light of these circumstances, the directors of the Company have implemented, and will continue to implement, the following plans and measures to improve the Group's liquidity and financial position:

(i) Resolution of Defaulted Borrowings

The Group has continued to engage with the relevant lenders to resolve the Defaulted Borrowings through settlement, extension or restructuring arrangements. Subsequent to 31 December 2025 and up to the date of approval of these consolidated financial statements, the Group (a) fully settled certain Defaulted Borrowings with aggregate carrying amounts of approximately HK\$1,007,313,000 as at 31 December 2025; (b) entered into an extension agreement in respect of a Defaulted Borrowing with a carrying amount of approximately HK\$111,822,000 as at 31 December 2025, pursuant to which the repayment date was extended by approximately 4 years; and (c) continued to negotiate with the relevant lenders in respect of the remaining Defaulted Borrowings of approximately HK\$5,434,138,000 regarding their settlement, extension and/or restructuring.

The Group currently plans to resolve the remaining Defaulted Borrowings through repayment by instalments, extension of maturity dates, refinancing, restructuring, or a combination of these measures during the cash flow forecast period. As at the date of approval of these consolidated financial statements, the specific repayment, extension and/or restructuring arrangements remained under discussion with the relevant lenders and had not yet been finalised.

(ii) Management of borrowings

The Group has continued to communicate and negotiate with its existing financial institutions regarding the renewal or refinancing of certain borrowings falling due during the cash flow forecast period. Subsequent to 31 December 2025 and up to the date of approval of these consolidated statements, the Group repaid approximately HK\$373,753,000 in respect of borrowings subject to cross-default, in accordance with the applicable contractual terms and repayment schedules, including the full settlement of a borrowing. In addition, the Group completed extension arrangements for certain borrowings subject to cross-default as at 31 December 2025, under which financing of approximately HK\$1,987,955,000 was made available to the Group subsequent to the reporting period. The relevant repayment dates were extended by approximately 1 to 2 years.

Of the remaining borrowings subject to cross-default of approximately HK\$4,166,805,000, (a) borrowings of HK\$3,119,164,000 had not reached their original contractual maturity dates as at the date of approval of these consolidated financial statements, and the Group intends to continue servicing such borrowings in accordance with their contractual repayment schedules; and (b) borrowings of HK\$1,047,641,000 had reached their original contractual maturity dates as at the date of approval of these consolidated financial statements, and remained subject to ongoing negotiation for extension, renewal and/or refinancing. Accordingly, the Group plans to continue servicing the unmatured borrowings and to seek extension, renewal and/or refinancing arrangements for the matured borrowings during the cash flow forecast period.

The assumptions concerning the amounts and timing of the relevant repayments, extensions and/or refinancing arrangements reflected in the Group's cash flow projections are based, where applicable, on executed agreements, agreed repayment schedules, written proposals and the latest status of discussions with the relevant lenders;

(iii) Property sales, collections and delivery

The Group will continue to accelerate sales of its properties under development for sale and completed properties for sale, prioritising saleable inventories and projects capable of generating cash inflows during the cash flow forecast period. The Group will also continue to expedite the collection of outstanding sales proceeds and other receivables through enhanced monitoring of collection progress and follow-up with the relevant purchasers and counterparties. Expected cash inflows from property sales and collections have been reflected in the Group's cash flow projections based on management's estimated sales and collection schedules. In assessing the Group's available cash flows, the directors have taken into account applicable restrictions on the use of pre-sale proceeds, the construction expenditure required to complete the relevant projects and the Group's property delivery obligations. Accordingly, only cash expected to be available during the cash flow forecast period has been included in the going concern assessment; and

(iv) Control of costs and capital expenditure

The Group will continue to exercise prudent control over administrative and other operating costs and contain capital expenditure. Expenditure will be prioritised with regard to operational requirements, contractual obligations, property delivery commitments and the Group's available financial resources. The timing and amount of discretionary expenditure will be reviewed regularly. Where appropriate, such expenditure will be reduced, deferred or rescheduled without materially affecting the Group's continuing operations and property delivery obligations. The expected effects of these measures have been incorporated into the Group's cash flow projections.

The directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from the date of approval of these consolidated financial statements. The cash flow projections take into account, among other things, the expected timing and outcome of debt restructuring, renewal and refinancing arrangements, expected cash inflows from property sales and the collection of outstanding sales proceeds and other receivables, and the expected effects of the Group's cost and capital expenditure controls. In assessing the reasonableness of the projections, the directors have considered the Group's latest available financial position, actual operating and cash flow performance, the status of negotiations with the relevant lenders and financial institutions, the subsequent settlement and extension of certain borrowings referred to above, and the management's latest property sales and collection plans.

Having considered the above plans and measures and on the basis that they will be implemented as anticipated, the directors are of the opinion that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of these consolidated financial statements. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties remain as to whether the Group will be able to implement the plans and measures as anticipated. The Group's ability to continue as a going concern depends on the following:

- (i) successfully completing the restructuring, settlement or extension of the remaining Defaulted Borrowings;
- (ii) successfully renewing or refinancing the existing bank borrowings as and when they fall due;
- (iii) achieving the anticipated levels of property sales and collections of outstanding sales proceeds and other receivables within the expected timeframes; and
- (iv) maintaining cost and capital expenditure controls without materially affecting the Group's operations and property delivery obligations.

The outcome of these matters is inherently uncertain and may be affected by, among other things, the decisions of the relevant lenders and financial institutions and prevailing property market conditions.

Should the Group be unable to implement any of the above plans and measures as anticipated, it may not be able to continue as a going concern. In that event, adjustments may have to be made to write down the carrying values of the Group's assets to their recoverable amounts, provide for any further liabilities that might arise, and 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 the consolidated financial statements.

The directors will continue to monitor the Group's liquidity position and actual cash flows, together with progress in implementing the above plans and measures against the cash flow projections. If there are material changes, delays or deviations from the underlying assumptions or implementation plans, the directors will reassess and revise the plans and measures as appropriate.

(3) ACCOUNTING POLICIES

(a) Changes in accounting policies and disclosures

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

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

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The Group has not applied any new standards and amendments to HKFRS Accounting Standard that are not yet mandatorily effective for the current accounting period. The application of the amendments to 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.

(b) New and amendments to HKFRS Accounting Standards issued 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 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity²</i>
Annual Improvements to HKFRS Accounting Standards — Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7²</i>
HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	<i>Presentation and Disclosure in Financial Statements³</i>
HKFRS 19 and subsequent amendments	<i>Subsidiaries without Public Accountability: Disclosures³</i>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency³</i>
Amendments to HKAS 28	<i>Amendments to the Fair Value Option for Investments in Associates and Joint Ventures³</i>
HKFRS 20	<i>Regulatory Assets and Regulatory Liabilities⁴</i>

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/reporting periods beginning on or after 1 January 2027

⁴ Effective for annual/reporting periods beginning on or after 1 January 2029

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.

(1) *Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

(2) *Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments*

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 Financial Instruments: Disclosures in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

(3) 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 HKFRS 18) taking effect 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.

(4) OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the commercial properties investment segment engages in the investments in properties for their rental income potential and/or for capital appreciation and hotel and restaurant business;
- (c) the property management segment engages in the provision of property management services;
- (d) the infrastructure segment engages in construction, design and renovation services in Chinese Mainland; and
- (e) the investments segment engages in the investments in private equity investments and listed equity investments relating to high-and-new technology and medical science.

Geographically, the property development segment and the commercial properties investment segment are further segregated into three main geographical areas, namely Southern China (SC) (including Guangzhou, Huizhou, Zhongshan, Yangshuo and Hong Kong), Northern China (NC) (including Beijing, Tianjin, Dalian, Taiyuan, Langfang and Qinhuangdao) and Eastern China (EC) (including Shanghai, Hangzhou, Kunshan, Ningbo, Cixi and Taicang).

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that finance income and costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets as these assets are managed on a group basis.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The segment results by business lines and, where applicable, by geographical areas for the year ended 31 December 2025 are as follows:

	Property development			Commercial properties investment			Property management	Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 December 2025										
Total revenues	3,062,279	5,732,007	1,728,670	789,138	1,386,588	2,810,039	1,564,366	4,832,274	295,860	22,201,221
Intra/inter-segment revenues	(16,402)	—	—	(64,492)	(94,515)	(239,011)	(151,945)	(3,783,872)	—	(4,350,237)
Revenues	<u>3,045,877</u>	<u>5,732,007</u>	<u>1,728,670</u>	<u>724,646</u>	<u>1,292,073</u>	<u>2,571,028</u>	<u>1,412,421</u>	<u>1,048,402</u>	<u>295,860</u>	<u>17,850,984</u>
Segment results	(3,632,796)	18,702	(6,019,224)	342,741	564,840	(10,836)	68,653	(545,270)	(1,354,955)	(10,568,145)
Unallocated corporate income (including exchange gains), net										29,636
Finance income										106,331
Finance costs										(1,450,234)
Loss before taxation										(11,882,412)
Taxation										(791,392)
Loss for the year										<u>(12,673,804)</u>
Depreciation of properties and equipment	(4,729)	(24,900)	(10,607)	(10,795)	(23,909)	(73,677)	(1,987)	(1,097)	(15)	(151,716)
Depreciation of right-of-use assets	(72,476)	(1,014)	(5,330)	(3,777)	(50,381)	(9,639)	(487)	(3,890)	—	(146,994)
Provision for impairment of financial assets	(258,554)	(4,250)	—	(8,510)	(769)	(15,993)	(51,871)	—	(178,155)	(518,102)
Provision for impairment of properties under development for sale and completed properties for sale	(3,437,314)	(1,707,575)	(5,690,856)	—	—	—	—	—	—	(10,835,745)
Reversal of provision for impairment of an investment in an associate	—	—	—	—	—	—	—	—	422,970	422,970
Fair value loss on investment properties	—	—	—	(230,565)	(171,919)	(917,583)	—	—	—	(1,320,067)
Share of profit/(loss) of associates	5,094	—	39,662	—	—	—	—	2,009	(26,569)	20,196
Share of (loss)/profit of joint ventures	(136,494)	—	—	112,202	—	(6,208)	—	—	—	(30,500)

The segment results by business lines and, where applicable, by geographical areas for the year ended 31 December 2024 are as follows:

	Property development			Commercial properties investment			Property management	Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 December 2024										
Total revenues	3,003,637	2,656,901	24,573,880	845,320	1,458,438	2,773,885	1,503,889	6,030,483	(95,058)	42,751,375
Intra/inter-segment revenues	(69,640)	(21,715)	(9,023)	(69,970)	(97,631)	(464,083)	(200,124)	(3,982,736)	(2,229)	(4,917,151)
Revenues	<u>2,933,997</u>	<u>2,635,186</u>	<u>24,564,857</u>	<u>775,350</u>	<u>1,360,807</u>	<u>2,309,802</u>	<u>1,303,765</u>	<u>2,047,747</u>	<u>(97,287)</u>	<u>37,834,224</u>
Segment results	(1,312,064)	218,359	4,331,063	(25,987)	639,174	1,353,999	(144,081)	(11,890)	(945,841)	4,102,732
Unallocated corporate expenses (including exchange loss), net										(138,965)
Finance income										92,607
Finance costs										<u>(1,250,486)</u>
Profit before taxation										2,805,888
Taxation										<u>(1,702,511)</u>
Profit for the year										<u>1,103,377</u>
Depreciation of properties and equipment	(2,272)	(30,567)	(14,348)	(4,234)	(25,473)	(73,541)	(197)	(749)	(16)	(151,397)
Depreciation of right-of-use assets	(112,107)	(2,686)	(4,611)	(3,771)	(20,309)	(9,667)	(1,485)	(4,857)	—	(159,493)
Provision for impairment of financial assets	(350,236)	—	(371,126)	—	—	(31)	(298,563)	—	(282,475)	(1,302,431)
Provision for impairment of properties under development for sale and completed properties for sale	(364,777)	(50,259)	(393,908)	—	—	—	—	—	—	(808,944)
Fair value (loss)/gain on investment properties	—	—	—	(397,820)	(165,335)	565,793	—	—	—	2,638
Share of (loss)/profit of associates	(27,245)	—	508,724	—	—	436	—	98,163	(33,678)	546,400
Share of (loss)/profit of joint ventures	<u>(665,413)</u>	<u>—</u>	<u>—</u>	<u>(108,068)</u>	<u>—</u>	<u>157</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(773,324)</u>

The segment assets by business lines and, where applicable, by geographical areas as at 31 December 2025 are as follows:

	Property development			Commercial properties investment			Property management	Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2025	41,760,639	35,813,718	47,179,509	24,263,824	34,291,495	40,797,074	3,697,242	4,244,337	7,924,048	239,971,886
Deferred tax assets										1,403,439
Total assets										<u>241,375,325</u>
Segment assets include:										
Investments in associates	260,563	—	1,043,166	—	—	—	960,965	—	1,370,068	3,634,762
Investments in joint ventures	2,001,129	—	11,035	6,473,551	—	—	—	—	—	8,485,715
Additions to non-current assets (other than financial instruments and deferred tax assets)	1,094,305	—	1,137,371	666,073	10,518	1,739,862	12,022	434	101	4,660,686

The segment assets by business lines and, where applicable, by geographical areas as at 31 December 2024 are as follows:

	Property development			Commercial properties investment			Property management	Infrastructure	Investments	Group
	SC	EC	NC	SC	EC	NC				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2024	45,449,478	39,218,595	54,177,562	23,045,103	33,699,754	39,158,641	3,638,818	3,955,676	13,296,213	255,639,840
Deferred tax assets										1,242,335
Total assets										<u>256,882,175</u>
Segment assets include:										
Investments in associates	254,540	—	1,134,982	—	—	—	935,191	—	3,752,684	6,077,397
Investments in joint ventures	1,003,911	—	11,004	6,248,213	—	—	—	—	—	7,263,128
Additions to non-current assets (other than financial instruments and deferred tax assets)	3,099	—	132,871	10,304	6,829	19,463	29,477	174	—	202,217

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Revenue from property development	10,506,554	30,134,040
Revenue from commercial properties investment	4,587,747	4,445,959
Property management income	1,412,421	1,303,765
Infrastructure income	1,048,402	2,047,747
Investments income/(losses)	295,860	(97,287)
Total	17,850,984	37,834,224

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

As at 31 December 2025 and 2024, non-current assets were mainly located in Chinese Mainland.

Information about a major customer

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

(5) OTHER LOSSES, NET

An analysis of other losses, net, is as follows:

	2025 HK\$'000	2024 HK\$'000
Loss on disposal of an associate	(1,847,094)	(486,363)
Net foreign exchange gains/(losses)	7,298	(1,102)
Others	(4,335)	110,596
Total other losses, net	(1,844,131)	(376,869)

(6) EXPENSES BY NATURE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Advertising costs	143,658	271,197
Auditor's remuneration		
— Audit services	24,072	19,073
— Non-audit services	17,203	9,470
Cost of completed properties sold	7,405,629	23,736,874
Cost of property management business	1,204,592	1,076,317
Cost of commercial properties business	1,770,287	1,647,682
Cost of infrastructure business	1,295,445	1,782,061
Depreciation of properties and equipment	151,716	151,397
Depreciation of right-of-use assets	146,994	159,493
Direct operating expenses arising from investment properties	413,862	378,177
Employees' benefits costs (including directors' emoluments)	1,428,110	1,628,298
— <i>Wages and salaries</i>	1,138,501	1,314,271
— <i>Pension scheme contributions</i>	289,609	314,027
Fair value loss/(gain) on investment properties	1,320,067	(2,638)
Reversal of provision for impairment of an investment in an associate**	(422,970)	—
Loss on disposals of financial assets	29,778	5,076
Short-term and low-value assets lease expenses*	891	1,250
Provision for impairment of financial assets**	518,102	1,302,431
Provision for impairment of properties under development for sale and completed properties for sale**	10,835,745	808,944
Donation	46,803	27,272

* These lease expenses are directly charged to general and administrative expenses and are not included in the measurement of lease liabilities under HKFRS 16.

** These items are included in "Other expenses" in the consolidated statement of profit or loss.

(7) FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	2025 HK\$'000	2024 HK\$'000
Finance income		
Interest income from bank deposits, advance to a joint venture and loan receivables	<u>106,331</u>	<u>92,607</u>
Finance costs		
Interest expenses and other borrowing costs:		
— loans from banks and financial institutions	(4,047,857)	(4,880,269)
— senior notes and commercial mortgage-backed securities	<u>(29,089)</u>	<u>(353,570)</u>
Total borrowing costs incurred	(4,076,946)	(5,233,839)
Less: Amount capitalised as part of the cost of properties under development, investment properties under development and construction-in-progress	<u>2,626,712</u>	<u>3,983,353</u>
	<u>(1,450,234)</u>	<u>(1,250,486)</u>
Net finance costs	<u>(1,343,903)</u>	<u>(1,157,879)</u>

(8) TAXATION

The Company is exempted from taxation in Bermuda until March 2035.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit arising in Hong Kong during the year.

Chinese Mainland corporate income tax has been provided at the rate of 25% for the year ended 31 December 2025 (2024: 25%).

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

Dividend distribution made by Chinese Mainland subsidiaries and joint ventures to shareholders outside of Chinese Mainland in respect of their profits earned after 1 January 2008 is subject to withholding income tax at tax rates of 5% or 10%, where applicable.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong profits tax	—	5,094
Chinese Mainland corporate income tax	722,422	1,300,534
Chinese Mainland land appreciation tax	704,604	516,123
	<u>1,427,026</u>	<u>1,821,751</u>
Over-provisions in prior years		
Hong Kong profits tax	(1,845)	—
Deferred tax	<u>(633,789)</u>	<u>(119,240)</u>
Taxation	<u><u>791,392</u></u>	<u><u>1,702,511</u></u>

(9) (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 3,792,541,000 (2024: 3,792,541,000) in issue during the year.

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

The calculation of basic and diluted (loss)/earnings per share are based on:

	2025	2024
(Loss)/profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>(11,740,868)</u>	<u>119,582</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>3,792,541</u>	<u>3,792,541</u>
Basic and diluted (loss)/earnings per share (<i>HK\$ per share</i>)	<u><u>(3.10)</u></u>	<u><u>0.03</u></u>

(10) DIVIDEND

No dividend was proposed for the years ended 31 December 2025 and 2024.

(11) ACCOUNTS RECEIVABLE

	2025 HK\$'000	2024 HK\$'000
Accounts receivable		
— Related parties	1,887,300	1,640,946
— Third parties	2,917,533	2,952,266
	<u>4,804,833</u>	<u>4,593,212</u>
Less: Loss allowance	(563,656)	(534,497)
	<u>(563,656)</u>	<u>(534,497)</u>
Net carrying amount	<u>4,241,177</u>	<u>4,058,715</u>

Accounts receivable mainly arise from property management services and construction services. No credit terms were granted.

Accounts receivable relates to a number of independent customers and related parties, and are denominated in RMB. The carrying value of accounts receivable approximates their fair values.

The maximum exposure to credit risk is the carrying amount of accounts receivable mentioned above.

The ageing analysis of accounts receivable (including amounts due from related companies of trading in nature) is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 3 months	630,654	716,628
3 to 6 months	400,991	421,972
6 to 9 months	221,221	207,918
9 to 12 months	211,303	193,444
Over 12 months	2,777,008	2,518,753
	<u>2,777,008</u>	<u>2,518,753</u>
Total	<u>4,241,177</u>	<u>4,058,715</u>

As at 31 December 2025, accounts receivable of approximately HK\$1,887,300,000 (2024: HK\$1,640,946,000) were due from related companies mainly in respect of property management services.

(12) BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Non-current		
Bank and financial institution borrowings	44,587,692	49,840,108
Commercial mortgage-backed securities (<i>Note (a)</i>)	—	625,567
	<u>44,587,692</u>	<u>50,465,675</u>
Current		
Bank and financial institution borrowings (<i>Note (b)</i>)	21,564,602	24,594,382
Commercial mortgage-backed securities (<i>Note (a)</i>)	301,366	12,203
	<u>21,865,968</u>	<u>24,606,585</u>
Subtotal		
	<u>21,865,968</u>	<u>24,606,585</u>
Total	<u>66,453,660</u>	<u>75,072,260</u>

Notes:

- (a) In November 2023, the Group issued 6.00% commercial mortgage-backed securities. The securities will mature in 2041 and are repayable at their nominal value of RMB635,000,000 according to pre-determined schedule from 2023 to 2041. The Group has the right to redeem all of the securities at pre-determined points in time; the investors are also entitled to sell back the securities to the Group on the same dates. The investor has an option to sell back the securities every 3 years from the date of issue. During the year ended 31 December 2025, the Group redeemed commercial mortgage-backed securities with aggregate nominal values of approximately HKD322,359,000 upon contractual maturity and approximately of HKD14,045,000 before contractual maturity, in accordance with the terms of the securities. As at 31 December 2025, the carrying value of the securities (including arrangement fees) amounted to HK\$301,366,000 (31 December 2024: HK\$637,770,000), and the securities are secured by an investment property of approximately HK\$1,186,865,000 (31 December 2024: HK\$1,181,374,000) and the rental income and receivables deriving from the investment property.
- (b) As at 31 December 2025, the Group had not repaid an aggregate amount of principal and interest of HK\$6,553,273,000 (2024: HK\$941,661,000) for certain borrowings according to their scheduled repayment dates, resulting in events of default which further triggered cross-defaults of certain bank and financial institution borrowings with an aggregate amount of HK\$6,528,513,000 (2024: HK\$9,269,709,000).

(13) ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Accounts payable		
— Related parties	1,346,550	1,067,693
— Third parties	14,480,892	13,597,137
Subtotal	15,827,442	14,664,830
Accruals and other payables		
— Deposit received and prepayment from customers, tenants and residents	2,631,034	2,859,538
— Finance costs payable	3,233,643	2,173,201
— Accruals for operating expenses	2,620,661	3,730,658
— Tax payables	2,779,697	2,793,604
— Others	5,836,960	3,580,857
Subtotal	17,101,995	15,137,858
Total	32,929,437	29,802,688

Ageing analysis of accounts payable (including amounts due to related companies of trading in nature) is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 3 months	603,312	812,344
3 to 6 months	782,197	837,684
6 to 9 months	1,580,216	1,446,203
9 to 12 months	627,509	1,308,762
Over 12 months	12,234,208	10,259,837
	15,827,442	14,664,830

As at 31 December 2025, accounts payable of approximately HK\$1,346,550,000 (2024: HK\$1,067,693,000) were due to related companies in respect of property construction.

Accounts payable are denominated in Renminbi. The carrying value of accounts payable approximates their fair values.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

Opinion

We have audited the consolidated financial statements of Hopson Development Holdings Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements, which indicates that, for the year ended 31 December 2025, the Group recorded a loss of HK\$12,673,804,000, compared to a profit of HK\$1,103,377,000 for the year ended 31 December 2024. As at 31 December 2025, the Group had short-term bank borrowings of HK\$21,865,968,000, while its cash and cash equivalents amounted to HK\$7,076,381,000. The Group had not repaid an aggregate amount of principal and interest of HK\$6,553,273,000 for certain borrowings according to their scheduled repayment dates, resulting in events of default which further triggered cross-defaults of certain bank and financial institution borrowings with an aggregate amount of HK\$6,528,513,000. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that a material uncertainty exists that may casts significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

FINANCIAL REVIEW

Turnover

(i) Recognised Sales

In 2025, the Group recorded a turnover of RMB16,327 million (HK\$17,851 million), representing a decrease of 53% (denominated in RMB) and a decrease of 53% (denominated in HK\$) when compared with RMB34,661 million (HK\$37,834 million) in 2024.

In respect of property development business, the Group recorded sales of RMB9,610 million (HK\$10,507 million) in 2025, and the major projects delivered include Hopson MIY Ā (合生me悦) in Northern China, YUN Ē in Shanghai (縵雲上海), The Town of Hangzhou Bay (合生杭州灣國際新城) in Eastern China, YUN Ē in Guangzhou (縵雲廣州) and Hopson Ziyue Mansion (合生紫悦府) in Southern China.

(ii) Contracted Sales

The Group recorded total contracted sales of approximately RMB15,607 million in 2025, representing a decrease of 6% when compared with approximately RMB16,629 million in 2024.

In 2025, Guangzhou and Huizhou had in total twenty-one projects on sale and the contracted sales amounted to RMB3,915 million, representing 25% of the total contracted sales of the Group in 2025. The major projects were YUN Ē in Guangzhou (縵雲廣州), Hopson Hushan Guoji Villa (合生湖山國際), Hopson Yunshan Regal (合生雲山帝景) and Hopson Shidai City (合生時代城).

There were sixteen property projects on sale in Shanghai. Contracted sales of Shanghai amounted to RMB5,973 million, representing 38% of the total contracted sales of the Group in 2025, which mainly comprises YUN Ē in Shanghai (縵雲上海), Hopson Dongjiao Villa (合生東郊別墅), The Town of Hangzhou Bay (合生杭州灣國際新城) and Hopson Sheshan Dongziyuan (合生佘山東紫園).

Nineteen projects in total were on sale in Beijing and Tianjin, and the combined contracted sales of Beijing and Tianjin were RMB5,719 million, representing 37% of the total contracted sales of the Group. The major projects were MAHÁ Beijing (縵合北京), Hopson Regal Riviera (合生珠江帝景) and Hopson Regal Park (合生濱江帝景).

Gross Profit

Gross profit in 2025 amounted to HK\$6,158 million (2024: HK\$9,558 million) with a gross profit margin of 35% (2024: 25%). The increase in gross profit margin was mainly due to the increase in the proportion of rental income from commercial properties and hotel income to the Group's total income during the period. With the gradual development of the asset-light commercial expansion business, the Group's overall gross profit margin increased accordingly.

Fair Value (Loss)/Gain on Investment Properties

Fair value loss on investment properties as at 31 December 2025 amounted to HK\$1,320 million (2024: gain of HK\$3 million). As at 31 December 2025, the Group owned 20 (2024: 20) investment properties.

Other Losses, Net

Other losses as at 31 December 2025 amounted to HK\$1,844 million (2024: HK\$377 million), comprising (1) loss on disposal of an associate of HK\$1,847 million; (2) net exchange gains of HK\$7 million; and (3) other net losses of HK\$4 million.

Operating Costs

The operating costs relating to expenses for selling, marketing, general and administration amounted to HK\$2,592 million in 2025, with a decrease of HK\$290 million or 10% when compared with HK\$2,882 million in 2024. The decrease was mainly due to lower advertising and promotion costs as compared to the previous year.

Finance Costs

Gross interest expenses before capitalisation in 2025 decreased by HK\$1,157 million or 22% to HK\$4,077 million (2024: HK\$5,234 million). The decrease was primarily attributable to the decrease in total borrowings and effective interest rate of the Group in 2025 as compared to the previous year. The effective interest rate of the Group's borrowings was approximately 5.4% per annum (2024: 6.0%).

Taxation

Taxation in 2025 decreased by HK\$912 million or 54% to HK\$791 million (2024: HK\$1,703 million), which was mainly due to the decrease in the Group's recognised sales, leading to the decrease in income tax expense.

(Loss)/Profit Attributable to Equity Holders of the Company

Loss attributable to equity holders was HK\$11,741 million in 2025 (2024: Profit HK\$120 million). Basic and diluted loss per share was HK\$3.10. During the year ended 31 December 2025, after deducting the reversal of impairment of investment in an associate, net of tax of HK\$423 million, and adding back the net loss from the valuation of investment properties, net of tax of HK\$940 million, donations, net of tax of HK\$35 million, withholding tax on distribution of profits from subsidiaries of HK\$29 million, the net loss from disposal of associates, net of tax of HK\$1,847 million, disposal of a subsidiary, net of tax of HK\$19 million and provision for impairment of properties under development for sale and completed properties for sale as well as financial assets of HK\$10,501 million, the underlying profit amounted to HK\$1,207 million, representing a decrease of HK\$1,916 million or 61%, as compared to last year.

Segment Information

Property development continued to be the Group's core business activity (59%). In 2025, the Group continued to develop its business in the three core economic regions, namely the Huanbohai Area, Pearl River Delta and Yangtze River Delta. Southern China (including Guangzhou, Huizhou, Zhongshan and Yangshuo), Eastern China (including Shanghai, Hangzhou, Kunshan, Ningbo, Cixi and Taicang) and Northern China (including Beijing, Tianjin, Langfang, Dalian, Taiyuan and Qinhuangdao) accounted for 32%, 40% and 28% of the total revenues of the Group, respectively.

Liquidity and Financial Position

As at 31 December 2025, total assets of the Group amounted to HK\$241,375 million and total liabilities came to HK\$154,058 million, representing a decrease of 6% and 2% respectively as compared to 31 December 2024. The decrease in total assets was mainly attributable to the decrease in completed properties for sale. The decrease in total liabilities was mainly attributable to the decrease in borrowings.

The Group's current ratio as at 31 December 2025 was 1.38 (31 December 2024: 1.61). Equity as at 31 December 2025 decreased by 12% to HK\$87,317 million from 31 December 2024. The net asset value ("NAV") per share as at 31 December 2025 was HK\$23.02.

As at 31 December 2025, the Group's liability-to-asset ratio (i.e. the ratio between total liabilities and total assets, excluding non-controlling interests) was 64% (31 December 2024: 62%).

As at 31 December 2025, the Group had cash and bank balances amounting to HK\$7,663 million (31 December 2024: HK\$11,398 million), of which approximately HK\$1 million (31 December 2024: HK\$1 million) was charged by certain banks in respect of the processing of mortgage facilities granted by the banks to the buyers of the Group's properties. 97.05% of the cash and bank balances were denominated in Renminbi, 2.25% in Hong Kong dollars, 0.69% in United States dollars and 0.01% in other currencies.

Total borrowings from banks and financial institutions amounted to HK\$66,153 million as at 31 December 2025, representing a decrease of 11% or HK\$8,281 million as compared to those as at 31 December 2024. Gearing ratio, measured by net bank and financial institution borrowings and commercial mortgage-backed securities (i.e. total bank and financial institution borrowings and commercial mortgage-backed securities less cash and bank balances) as a percentage of total equity, was 67% as at 31 December 2025 (increased by 3 percentage points as compared with 64% as at 31 December 2024).

All of the bank and financial institution borrowings were either secured or guaranteed and substantially denominated in Renminbi with fixed interest rates.

All of the commercial mortgage-backed securities were guaranteed and denominated in Renminbi.

All of the other borrowings were unsecured and substantially denominated in Renminbi.

The Group's borrowings repayment profile as at 31 December 2025 was as follows:

(HK\$ million)	As at 31 December 2025					As at 31 December 2024				
	Bank and financial institution borrowings	Commercial mortgage -backed securities	Other borrowings	Total	Percentage	Bank and financial institution borrowings	Commercial mortgage -backed securities	Other borrowings	Total	Percentage
Within one year	21,565	301	4,945	26,811	38%	24,594	12	4,435	29,041	37%
One to two years	6,358	—	—	6,358	9%	9,536	626	—	10,162	13%
Two to five years	23,774	—	—	23,774	33%	24,951	—	—	24,951	31%
After five years	14,456	—	—	14,456	20%	15,353	—	—	15,353	19%
Total	66,153	301	4,945	71,399		74,434	638	4,435	79,507	
Less: Total bank deposits and cash				(7,663)					(11,398)	
Net borrowings				63,736					68,109	

As at 31 December 2025, the Group had banking facilities of approximately HK\$158,678 million (31 December 2024: HK\$193,785 million) for short-term and long-term bank loans, of which HK\$92,224 million (31 December 2024: HK\$118,713 million) were unutilised.

Charge on Assets

As at 31 December 2025, certain assets of the Group with an aggregate carrying value of HK\$114,110 million (31 December 2024: HK\$85,643 million) and the Group's equity interests in subsidiaries of HK\$10,683 million (31 December 2024: HK\$10,872 million) were pledged with banks and financial institutions for loan facilities used by subsidiaries.

Financial Guarantees

As at 31 December 2025, the Group provided guarantees to banks for mortgage facilities granted to buyers of the Group's properties which amounted to HK\$13,527 million (31 December 2024: HK\$13,841 million).

Commitments

The Group's commitments as at 31 December 2025 were as follows:

	As at 31 December 2025 <i>HK\$ million</i>	As at 31 December 2024 <i>HK\$ million</i>
Capital commitments		
Contracted but not provided for		
— Property construction costs	1,566	1,623
— Capital contribution to associates	302	295
— Capital contribution to joint ventures	115	117
	<u>1,983</u>	<u>2,035</u>

Property development commitments

Contracted but not provided for		
— Property construction costs	30,746	32,029
	<u>30,746</u>	<u>32,029</u>

The Group has lease commitments in respect of leased premises under various non-cancellable lease agreements. The future aggregate minimum lease payments under non-cancellable lease are as follows:

	As at 31 December 2025 <i>HK\$ million</i>	As at 31 December 2024 <i>HK\$ million</i>
Amounts payable		
— Within one year	—	1
	<u>—</u>	<u>1</u>

EVENTS AFTER THE REPORTING DATE

(1) Partial disposal of interest in Ping An Good Doctor

As at 31 December 2025, the Group held approximately 2.13% of the issued shares of Ping An Healthcare and Technology Company Limited (“Ping An Good Doctor”), the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 1833). Ping An Good Doctor was accounted for as an associate of the Group as the Group exercised significant influence through its contractual right to appoint a director to the board of directors of Ping An Good Doctor and its participation in the financial and operating policy decisions of Ping An Good Doctor.

Subsequent to the end of the reporting period and up to the date of authorisation of these consolidated financial statements, the Group disposed of an aggregate of 44,491,160 shares in Ping An Good Doctor through a series of on-market transactions for aggregate gross proceeds of approximately HK\$336.7 million, before transaction costs and related taxes. The disposals represented approximately 2.06% of the issued shares of Ping An Good Doctor.

On 19 August 2026, Mr. Zhu Ziyang, the vice president of the Company, resigned as a non-executive Director of Ping An Good Doctor. The Group is assessing the impact of the above disposals on its level of influence over Ping An Good Doctor and the related accounting treatment. The financial effect of the disposals, including any gain or loss arising therefrom and the accounting treatment of the retained interest, is under assessment.

(2) Suspension of trading

As there had been a delay in the publication of the 2025 Annual Results, trading in the Shares on the Stock Exchange has been suspended since 1 April 2026, and remains suspended as at the date of this announcement. For further details, please refer to the announcements of the Company dated 31 March 2026 and 1 April 2026.

(3) Change of auditor

At the special general meeting of the Company held on 24 June 2026, the Shareholders approved the removal of EY as the auditor of the Company with immediate effect from 24 June 2026, and the appointment of Crowe as the new auditor of the Company to fill the casual vacancy following the termination of EY as the auditor of the Company and to hold office until the conclusion of the forthcoming annual general meeting of the Company or the adjourned meeting thereof (as the case may be). The Company formally appointed Crowe as its new auditor on 25 June 2026.

For further details, please refer to the announcements of the Company dated 24 June 2026 and 6 July 2026, and the circular of the Company dated 8 June 2026.

(4) Resumption Guidance

On 30 June 2026, the Company received a letter from the Stock Exchange setting out the Resumption Guidance. For details of the Resumption Guidance, please refer to the announcement of the Company dated 6 July 2026.

Pursuant to the Resumption Guidance, the Company formally engaged Deloitte to perform the Internal Control Review on 26 August 2026. For further details, please refer to the announcement of the Company dated 26 August 2026.

For details of the resumption progress of the Company in reaching the requirements under the Resumption Guidance, please refer to the announcements of the Company dated 7 July 2026 and 30 September 2026.

The Company will continue to keep its Shareholders and potential investors abreast of any relevant material development by making further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules.

The Company will continue to work closely with its professional advisers and proactively take all necessary and appropriate steps to comply with other requirements under the Resumption Guidance, with the aim to resume trading in its Shares on the Stock Exchange as soon as practicable.

(5) Change of address of registered office in Bermuda

The address of registered office of the Company in Bermuda was changed to Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda with effect from 3 August 2026.

FOREIGN EXCHANGE FLUCTUATIONS

The Group earns revenue and incurs costs and expenses mainly in Renminbi and is exposed to foreign exchange fluctuation arising from the exposure of Renminbi against Hong Kong dollar and US dollar. However, the Directors do not anticipate any significant foreign exchange loss as a result of changes in exchange rate between Hong Kong dollar, US dollar and Renminbi in the foreseeable future.

MANAGEMENT CONTRACT

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

EMPLOYEES

As at 31 December 2025, the Group, excluding its associates and joint ventures, employed a total of 7,993 (2024: 8,506) staff, the majority of which were employed in Chinese Mainland. Employees' costs (including Directors' emoluments) amounted to HK\$1,428 million for the year ended 31 December 2025 (2024: HK\$1,628 million).

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules that is applicable to the corporate governance report for the year ended 31 December 2025 (the "CG Code"), except for the code provision F.2.2 of Part 2 of the CG Code as described below.

Code provision F.2.2 of Part 2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board (the "Chairman") did not attend the annual general meeting for the year ended 31 December 2025 (the "2025 AGM") due to her other business commitment. Mr. Luo Taibin, an executive Director who chaired the 2025 AGM, together with other Directors who attended the 2025 AGM were available to answer questions at the meeting to ensure effective communication with the shareholders. Despite her absence at the 2025 AGM, the Chairman had reviewed all relevant documents of the 2025 AGM before the meeting, and all records and minutes of the 2025 AGM were circulated to her after the meeting for her information.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the year under review the amount of public float as required under the Listing Rules.

PURCHASE, REDEMPTION AND SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares as defined in the Listing Rules) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any of such treasury shares.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Company's audit committee currently comprises all the three independent non-executive Directors. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the risk management and internal controls and financial reporting matters including a review of the annual results for the year ended 31 December 2025.

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2025. The work performed by Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on this preliminary announcement.

REMUNERATION COMMITTEE

The Company has established a remuneration committee comprising the three independent non-executive Directors in accordance with the requirements of the CG Code.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Stock Exchange's website and the Company's website <http://www.irasia.com/listco/hk/hopson>.

The 2025 annual report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website <http://www.irasia.com/listco/hk/hopson> in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2026 and will remain suspended until further notice pending the Company's fulfilment of the Resumption Guidance.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and, if in doubt, may seek professional advice from their own professional or financial advisors.

DIRECTORS

As at the date of this announcement, the Board comprises eight Directors. The executive Directors are Ms. Chu Kut Yung (Chairman), Mr. Zhang Fan (Co-president), Mr. Au Wai Kin, Mr. Bao Wenge and Mr. Luo Taibin; and the independent non-executive Directors are Mr. Tan Leng Cheng, Aaron, Mr. Ching Yu Lung and Mr. Ip Wai Lun, William.

By order of the Board
Hopson Development Holdings Limited
Chu Kut Yung
Chairman

Hong Kong, 28 October 2026

* *For identification purpose only*

** *For ease of reference, the names of PRC established companies or entities (if any) and PRC laws, regulations and organisations (if any) have generally been included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail*