# CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED
# 中國長白山國際控股有限公司

*(formerly known as "Hua Yin International Holdings Limited 華音國際控股有限公司")*
*(Incorporated in Bermuda with limited liability)*
**(Stock code: 989)**

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The Board (the "Board") of Directors (the "Directors") of China Changbaishan International Holdings Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2025 together with the comparative figures as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
*For the six months ended 30 September 2025*

| | | Six months ended 30 September | |
|---|---|---|---|
| | | **2025** | 2024 |
| | | **(unaudited)** | (unaudited) |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| | | | (restated) |
| **Continuing operations** | | | |
| **REVENUE** | *5(a)* | **29,782** | 122,497 |
| Cost of sales and services | | **(26,574)** | (110,972) |
| Gross profit | | **3,208** | 11,525 |
| Other income and gains | *5(b)* | **19,063** | 313 |
| Selling and distribution expenses | | **(868)** | (1,544) |
| Administrative expenses | | **(10,768)** | (17,296) |
| Finance costs | *6* | **(33,402)** | (19,634) |
| Other expenses | | **(7,055)** | (642,426) |
| Change in fair value of derivative financial instruments | *20* | **(116)** | (165) |
| **LOSS BEFORE TAX FROM CONTINUING OPERATIONS** | *7* | **(29,938)** | (669,227) |
| Income tax | *8* | **(150)** | 70,709 |
| **LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS** | | **(30,088)** | (598,518) |

| | Notes | Six months ended 30 September 2025 (unaudited) RMB'000 | 2024 (unaudited) RMB'000 (restated) |
|---|---|---|---|
| **LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS** | | **(30,088)** | (598,518) |
| **Discontinued operation** | | | |
| Loss for the period from discontinued operation | *22(c)* | **(3,076)** | (2,622) |
| **LOSS FOR THE PERIOD** | | **(33,164)** | (601,140) |
| **Attributable to:** | | | |
| Owners of the parent | | | |
| – continuing operations | | **(30,088)** | (598,518) |
| – discontinued operation | | **(3,076)** | (2,622) |
| | | **(33,164)** | (601,140) |
| **LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT** | *9* | | |
| Basic | | | |
| – for loss for the period | | **RMB(9.21) cents** | RMB(166.90) cents |
| – for loss from continuing operations | | **RMB(8.35) cents** | RMB(166.17) cents |
| Diluted | | | |
| – for loss for the period | | **RMB(9.21) cents** | RMB(166.90) cents |
| – for loss from continuing operations | | **RMB(8.35) cents** | RMB(166.17) cents |

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*For the six months ended 30 September 2025*

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(unaudited)** | (unaudited) |
| | ***RMB'000*** | *RMB'000* |
| | | (restated) |
| **LOSS FOR THE PERIOD** | **(33,164)** | (601,140) |
| **OTHER COMPREHENSIVE INCOME** | | |
| *Other comprehensive income that are/may be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation of foreign operations | **1,770** | 7,204 |
| **OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX** | **1,770** | 7,204 |
| **TOTAL COMPREHENSIVE LOSS FOR THE PERIOD** | **(31,394)** | (593,936) |
| **Attributable to:** | | |
| Owners of the parent | | |
| – continuing operations | **(28,318)** | (591,314) |
| – discontinued operation | **(3,076)** | (2,622) |
| | **(31,394)** | (593,936) |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*As at 30 September 2025*

| | Notes | 30 September 2025 (unaudited) RMB'000 | 31 March 2025 (audited) RMB'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **243** | 687 |
| Investment properties | *11* | **—** | 315,288 |
| Right-of-use assets | | **4,609** | 7,144 |
| Lease receivables | | **3,603** | 4,107 |
| Deferred tax assets | | **1,177** | 10,737 |
| **Total non-current assets** | | **9,632** | 337,963 |
| **CURRENT ASSETS** | | | |
| Properties under development and completed properties held for sale | *12* | **260,414** | 335,304 |
| Trade and other receivables | *13* | **53,207** | 55,861 |
| Lease receivables | | **105** | 105 |
| Prepaid income tax | | **4,242** | 10,247 |
| Derivative financial instruments | *20* | **168** | 288 |
| Pledged and restricted deposits | *14* | **1,044** | 3,324 |
| Cash and cash equivalents | *14* | **4,015** | 5,103 |
| | | **323,195** | 410,232 |
| Assets associated with disposal group classified as held for sale | *22(c)* | **386,926** | 504,169 |
| **Total current assets** | | **710,121** | 914,401 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | *15* | **180,373** | 435,912 |
| Contract liabilities | *16* | **63,867** | 66,645 |
| Lease liabilities | | **3,971** | 6,950 |
| Loans from a substantial shareholder | *17* | **378,861** | 449,363 |
| Loans from related parties | *18* | **35,508** | 50,060 |
| Bank and other borrowings | *19* | **92,675** | 243,090 |
| Liability component of the Convertible Bonds | *20* | **51,526** | 48,517 |
| Income tax payable | | **4,938** | 52,219 |
| | | **811,719** | 1,352,756 |
| Liabilities associated with disposal group classified as held for sale | *22(c)* | **525,903** | 504,169 |
| **Total current liabilities** | | **1,337,622** | 1,856,925 |

| | Notes | 30 September 2025 (unaudited) RMB'000 | 31 March 2025 (audited) RMB'000 |
|---|---|---|---|
| **NET CURRENT LIABILITIES** | | **(627,501)** | (942,524) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **(617,869)** | (604,561) |
| **NON-CURRENT LIABILITIES** | | | |
| Bank and other borrowings | *19* | **35,507** | — |
| Deferred tax liabilities | | **118** | 126 |
| Lease liabilities | | **1,201** | 18,614 |
| **Total non-current liabilities** | | **36,826** | 18,740 |
| **Net liabilities** | | **(654,695)** | (623,301) |
| **EQUITY** | | | |
| Share capital | *21* | **3,115** | 3,115 |
| Equity component of the Convertible Bonds | *20* | **38,029** | 38,029 |
| Reserves | | **(695,839)** | (664,445) |
| **Total deficit** | | **(654,695)** | (623,301) |

## NOTES

### 1. GENERAL INFORMATION

China Changbaishan International Holdings Limited (the "Company", together with its subsidiaries referred to as the "Group") is a limited liability company incorporated in Bermuda. Its registered office address is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is principally engaged in investment holding and the Group is principally engaged in the property development and management, including planning, designing, budgeting, licensing, contract tendering and contract administration and property investment in the People's Republic of China (the "PRC"). Upon the reclassification of the Baishan and Yanji Property Projects (as defined in note 22(c)) as disposal group classified as held for sale, the property investment segment of the Group is presented as discontinued operation. Details of the disclosures related to the discontinued operation are set out in note 22(c)(ii) to the announcement.

### 2. BASIS OF PREPARATION

The unaudited interim financial information for the six months ended 30 September 2025 (the "Interim Financial Information") has been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those policies adopted in the preparation of the Group's financial statements for the year ended 31 March 2025, except for the adoption of new/revised HKFRS Accounting Standards for the first time on 1 April 2025.

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2025.

**Going concern basis**

The Group incurred a net loss from continuing operations of RMB30.1 million for the six months ended 30 September 2025 and as of that date, the Group had net current liabilities and net liabilities of RMB627.5 million and RMB654.7 million respectively. The Group may take longer time than expected to realise cash from the sales of its properties and/or have cash from external financial to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, the condensed consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the directors, the Group can meet its financial obligations as and when they fall due within the next twelve months, after taking into consideration of the measures and arrangements made by the Group as detailed below:

(i) the Group is expected to generate adequate cash flows to maintain its operations;

(ii) the Group has obtained continuous financial support from the Group's substantial shareholder, and the substantial shareholder has confirmed that it will not demand the Group for repayment of the loans from substantial shareholder within the next twelve months should the Group not be in the financial position to make such repayment; and

(iii) the proposed divestment of the Baishan and Yanji Property Projects (as defined in note 22(c)) in the near future.

The Directors have prepared a cash flow forecast covering a period up to 31 March 2027 on the basis that the negotiation with financial institutions and other lenders for the renewals of the Group's bank and other borrowing upon expiry would be successful and the continuous financial support from the substantial shareholder of the Company would be obtained that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the eighteen months from 30 September 2025. Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

## 3. CHANGE IN ACCOUNTING POLICIES

### 3.1 New/revised HKFRS Accounting Standards adopted

The adoption of the new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current period did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

### 3.2 New and revised HKFRS Accounting Standards not yet adopted

At the date of authorisation of this announcement, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted.

The Directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRS Accounting Standards, but are not yet in a position to reasonably estimate their impact on the Group's results and financial position.

## 4. OPERATING SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's executive directors for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

| Operating segments | Nature of business activities | Place of operation |
|---|---|---|
| **Continuing operations** | | |
| Property development and management | Property development and provision of management service to property projects | The PRC |
| **Discontinued operation** | | |
| Property investment* | Property holding for long term investment and leasing purposes | The PRC |

* As set out in note 22(c), the Group's property investment segment is treated and presented as a discontinued operation upon the disposal of Baishan Ground Real Estate Development Company Limited and Baishan Ground Business Management Company Limited.

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

Revenue and expenses allocated to the reportable segments include the sales generated by the segment and the expenses incurred by the segment or which arise from the depreciation of assets attributable to those segments.

**Segment results and other segment information**

For the six months ended 30 September 2025 – unaudited

| | **Continued operations** | **Discontinued operation** | |
|---|---|---|---|
| | **Property development and management** *RMB'000* | **Property investment** *RMB'000* | **Total** *RMB'000* |
| **Segment revenue** | | | |
| Sales to external customers | **29,782** | **5,975** | **35,757** |
| **Segment results** | **(8,784)** | **(2,399)** | **(11,183)** |
| Finance costs | **(33,402)** | **(677)** | **(34,079)** |
| Change in fair value of derivative financial instruments | **(116)** | **–** | **(116)** |
| Gain on disposal of subsidiaries | **123** | **–** | **123** |
| Gain on disposal of disposal group classified as held for sale | **18,698** | **–** | **18,698** |
| Unallocated head office expenses | **(6,457)** | **–** | **(6,457)** |
| Loss before tax | **(29,938)** | **(3,076)** | **(33,014)** |
| Income tax | **(150)** | **–** | **(150)** |
| Loss for the period | **(30,088)** | **(3,076)** | **(33,164)** |

| | Continued operations | Discontinued operation | |
|---|---|---|---|
| | Property development and management *RMB'000* | Property investment *RMB'000* | Total *RMB'000* |
| **Segment revenue** | | | |
| Sales to external customers | 122,497 | 6,736 | 129,233 |
| **Segment results** | (642,016) | (1,662) | (643,678) |
| Finance costs | (19,634) | (1,585) | (21,219) |
| Change in fair value of derivative financial instruments | (165) | – | (165) |
| Unallocated head office and corporate expenses | (7,412) | – | (7,412) |
| Loss before tax | (669,227) | (3,247) | (672,474) |
| Income tax | 70,709 | 625 | 71,334 |
| Loss for the period | (598,518) | (2,622) | (601,140) |

## 5. REVENUE, OTHER INCOME AND GAINS FROM CONTINUING OPERATIONS

Revenue from continuing operations mainly represents income from the sale of properties and property management service income.

An analysis of revenue and other income and gains from continuing operations is presented below:

### (a) Revenue

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(unaudited)** | (unaudited) |
| | ***RMB'000*** | *RMB'000* |
| | | (restated) |
| **Revenue from contracts with customers within HKFRS 15:** | | |
| Sale of properties | **16,506** | 107,352 |
| Property management service income | **13,276** | 15,145 |
| | **29,782** | 122,497 |
| Representing geographical market of: | | |
| The PRC | **29,782** | 122,497 |
| | **29,782** | 122,497 |
| Timing of revenue recognition | | |
| – At a point in time | **16,506** | 107,352 |
| – Over time | **13,276** | 15,145 |
| | **29,782** | 122,497 |

### (b) Other income and gains

| | **Six months ended 30 September 2025 (unaudited)** ***RMB'000*** | Six months ended 30 September 2024 (unaudited) *RMB'000* |
|---|---|---|
| Exchange gain | **—** | 8 |
| Sundry income | **242** | 305 |
| Gain on disposal of subsidiaries *(note 22(b))* | **123** | — |
| Gain on disposal of disposal group classified as held for sale *(note 22(a))* | **18,698** | — |
| Total other income from continuing operations | **19,063** | 313 |

## 6. FINANCE COSTS FROM CONTINUING OPERATIONS

| | **Six months ended 30 September 2025 (unaudited)** ***RMB'000*** | Six months ended 30 September 2024 (unaudited) *RMB'000* (restated) |
|---|---|---|
| Interest on bank and other borrowings | **27,035** | 26,935 |
| Interest on Convertible Bonds | **6,270** | 4,886 |
| Interest on lease liabilities | **97** | 407 |
| Interest on loan from a substantial shareholder | **—** | 517 |
| | **33,402** | 32,745 |
| Less: Interest capitalised into properties under development* | **—** | (13,111) |
| Total finance costs from continuing operations | **33,402** | 19,634 |

* For the six months ended 30 September 2025, no borrowing costs had been capitalised (For the six months ended 30 September 2024 (unaudited): 7.5% - 10% per annum).

## 7. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after charging:

| | **Six months ended 30 September 2025 (unaudited)** ***RMB'000*** | Six months ended 30 September 2024 (unaudited) *RMB'000* (restated) |
|---|---|---|
| This is stated after charging: | | |
| Cost of properties sold | **20,195** | 103,299 |
| Cost of services | **6,379** | 7,673 |
| Write-down of properties under development to net realisable value* | **—** | 637,925 |
| Write-down of completed properties to net realisable value** | **4,502** | — |
| Depreciation | | |
| – property, plant and equipment | **11** | 112 |
| – right-of-use assets | **2,505** | 1,930 |

* These items are included in other expenses in the condensed consolidated statements of profit or loss.

** These items are included in cost of sales in the condensed consolidated statements of profit or loss.

## 8. INCOME TAX FROM CONTINUING OPERATIONS

| | **Six months ended 30 September 2025 (unaudited)** *RMB'000* | Six months ended 30 September 2024 (unaudited) *RMB'000* (restated) |
|---|---|---|
| **Current tax** | | |
| PRC Corporate Income Tax ("CIT") | **150** | 94 |
| | **150** | 94 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | **—** | (70,803) |
| Total charge/(credit) from continuing operations | **150** | (70,709) |

No Hong Kong profits tax has been provided for the six months ended 30 September 2025 and 2024 as the Group had no assessable profit subject to Hong Kong profits tax for the periods.

For the six months ended 30 September 2025 and 2024, CIT has been provided in accordance with the relevant tax laws applicable to the entities in the PRC. The statutory CIT tax rate in the PRC is 25% on the assessable profit for both period.

As at 30 September 2025, the estimated withholding tax effects on the distribution of the unremitted retained earnings of the PRC subsidiaries amounted to approximately RMB10.5 million (31 March 2025 (audited): RMB10.7 million). In the opinion of the Directors, these retained earnings, at the present time, are required for financing the continuing operations of the PRC subsidiaries and no distribution would be made in the foreseeable future. Accordingly, no provision for deferred taxation has been made in this respect.

The Group's subsidiaries are not subject to any income tax in Bermuda, the British Virgin Islands and Samoa pursuant to the respective rules and regulations.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditure. The Group has estimated, made and included in the income tax a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT provision is subject to the final review/approval by the tax authorities. No provision for LAT had been made in both period.

## 9. LOSS PER SHARE

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

| | **Six months ended 30 September 2025** *RMB'000* | Six months ended 30 September 2024 *RMB'000* (restated) |
|---|---|---|
| **Loss** | | |
| Loss attributable to owners of the parent used in the basic loss per share calculation | | |
| – continuing operations | **(30,088)** | (598,518) |
| – discontinued operation | **(3,076)** | (2,622) |
| | **(33,164)** | (601,140) |
| Effect of interest on the liability component of the Convertible Bonds | **–** | – |
| Effect of fair value loss on the derivative component of the Convertible Bonds | **–** | – |
| Adjusted loss attributable to owners of the parent used in the diluted loss per share calculation | | |
| – continuing operations | **(30,088)** | (598,518) |
| – discontinued operation | **(3,076)** | (2,622) |
| | **(33,164)** | (601,140) |
| **Shares** | | |
| Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation | **360,182** | 360,182 |
| Effect of dilution – weighted average number of ordinary shares: | | |
| Convertible Bonds | **–** | – |
| Share options | **–** | – |
| Weighted average number of ordinary shares (diluted) | **360,182** | 360,182 |

The calculation of basic loss per share is based on the loss attributable to owners of the parent for the six months ended 30 September 2025 and the weighted average of 360,182,000 shares (six months ended 30 September 2024 (unaudited)(restated): 360,182,000 shares) in issue during the six months ended 30 September 2025.

The calculation of the diluted loss per share amounts is based on the profit or loss for the period attributable to owners of the parent as adjusted by the financial effect associated with dilutive potential ordinary shares (if any). The weighted average number of ordinary shares used in the calculation is the aggregate of weighted average number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of the diluted loss per share is based on the loss attributable to owners of the parent of RMB33,164,000 for the six months ended 30 September 2025 (six months ended 30 September 2024: RMB601,140,000) considering there are no adjusting effects on the interest on the liability component of the Convertible Bonds and fair value change on the derivative component of the Convertible Bonds; and divided by the weighted average number of ordinary shares of 360,182,000 (30 September 2024 (restated): 360,182,000 shares) for six months ended 30 September 2025 considering there are no dilutive effect on the Convertible Bonds and the exercise price of the outstanding share options is out of money compared to the average stock prices of the Company for the six months ended 30 September 2025 and 2024.

The weighted average number of ordinary shares for the six months ended 30 September 2024 for the purposes of calculating basic and diluted loss per share have been retrospectively adjusted for the effects of share consolidation effective on 17 January 2025.

## 10. DIVIDEND

The Directors do not declare the payment of any interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024 (unaudited): Nil).

## 11. INVESTMENT PROPERTIES

| | **30 September 2025 (unaudited)** ***RMB'000*** | 31 March 2025 (audited) *RMB'000* |
|---|---|---|
| At the beginning of the reporting period | **315,288** | 486,200 |
| Net loss from fair value adjustment | **(5,788)** | (170,912) |
| Reclassified to disposal group classified as held for sale *(note 22(c))* | **(309,500)** | — |
| At the end of the reporting period | **—** | 315,288 |

As at 31 March 2025, the Group's investment properties included certain retail units and car park spaces of a shopping mall in Baishan City, Jilin Province. These investment properties were stated at fair value and were valued by Colliers Appraisal and Advisory Services Company Limited, independent professional qualified valuers ("Valuer").

*Fair value hierarchy*

The following table illustrates the fair value hierarchy of the Group's investment properties:

| | **Fair value measurement as at 30 September 2025 using** | | | |
|---|---|---|---|---|
| | **Quoted prices in active markets (Level 1) (unaudited)** *RMB'000* | **Significant observable inputs (Level 2) (unaudited)** *RMB'000* | **Significant unobservable inputs (Level 3) (unaudited)** *RMB'000* | **Total (unaudited)** *RMB'000* |
| Recurring fair value measurement for: | | | | |
| Retail shops and car park spaces | **—** | **—** | **—** | **—** |

| | Fair value measurement as at 31 March 2025 using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) (audited) *RMB'000* | Significant observable inputs (Level 2) (audited) *RMB'000* | Significant unobservable inputs (Level 3) (audited) *RMB'000* | Total (audited) *RMB'000* |
| Recurring fair value measurement for: | | | | |
| Retail shops and car park spaces | – | – | 315,288 | 315,288 |

During the period, there are no transfer of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3 (six months ended 30 September 2024 (unaudited): Nil).

As at 30 September 2025, the Group's investment properties with an aggregate carrying amount of RMBNil (31 March 2025 (audited): RMB216,980,000) were pledged to banks to secure certain of the bank loans granted to the Group as further detailed in note 19 to the announcement.

## 12. PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

| | Notes | 30 September 2025 (unaudited) RMB'000 | 31 March 2025 (audited) RMB'000 |
|---|---|---|---|
| Properties under development | | **226,537** | 246,128 |
| Completed properties held for sale | | **37,334** | 136,780 |
| | | **263,871** | 382,908 |
| Write-down of properties under development and completed properties held for sale to net realisable value | *(b)* | **(3,457)** | (47,604) |
| | *(a)* | **260,414** | 335,304 |

(a) As at 30 September 2025, certain of the Group's completed properties held for sale with carrying value of RMBNil (31 March 2025 (audited): RMB8.8 million) respectively were pledged to banks to secure certain of the bank loans granted to the Group as further detailed in note 19 to the announcement.

(b) The movement of the write-down of properties under development and completed properties held for sale to net realisable value during the period are as follows:

| | Notes | 30 September 2025 (unaudited) RMB'000 |
|---|---|---|
| At the beginning of the reporting period | | **47,604** |
| Increase in the write-down during the period | | **4,502** |
| Write-off during the period | | **(5,359)** |
| Reclassified as disposal group held for sale | *(c)* | **(43,290)** |
| At the end of the reporting period (unaudited) | | **3,457** |

(c) The cost and accumulated write-down to net realisable value of property project in Baishan and Yanji Property Projects (as defined in note 22(c)) was RMB89.9 million and 43.3 million respectively. Such net realisable value was estimated based on a valuation carried out by the Valuer. On 28 July 2025, the Group entered into an equity transfer agreement with an independent third party purchaser to dispose of the Baishan and Yanji Property Projects. As the end of the reporting period, the properties under development and completed properties held for sale in respect of Baishan and Yanji Property Projects had been reclassified as "Assets associated with disposal group classified as held for sale" in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Further details has been set out in note 22(c) to the announcement.

## 13. TRADE AND OTHER RECEIVABLES

| | *Notes* | **30 September 2025 (unaudited) *RMB'000*** | 31 March 2025 (audited) *RMB'000* |
|---|---|---|---|
| Trade receivables, gross | | **23,153** | 19,697 |
| Less: provision for impairment | | **(13,920)** | (13,920) |
| Trade receivables, net | *(a)* | **9,233** | 5,777 |
| Other receivables | | | |
| – Deposits for land development expenditure | *(b)* | **–** | 9,467 |
| – Deposits for construction and pre-sale of property projects | | **–** | 1,562 |
| – Prepaid business tax and other taxes | | **11,059** | 15,557 |
| – Other receivables, prepayments and deposits | | **35,374** | 47,585 |
| – Less: provision for impairment | *(c)* | **(2,459)** | (24,087) |
| | | **43,974** | 50,084 |
| Total trade and other receivables | | **53,207** | 55,861 |

(a) In respect of properties sales, no credit terms are granted to customers. For property management, the property management income is settled in accordance with the terms stipulated in the agreements, most of which is settled in advance. The carrying amounts of the receivables approximate to their fair values. Trade receivables are non-interest bearing.

The ageing analysis of the trade receivables (provision for impairment) by the invoice date as at the end of the reporting period is as follows:

| | **30 September 2025 (unaudited)** ***RMB'000*** | 31 March 2025 (audited) *RMB'000* |
|---|---|---|
| Within 30 days | **1,402** | 4,050 |
| 31 days-180 days | **7,494** | 129 |
| Over 180 days | **337** | 1,598 |
| | **9,233** | 5,777 |

For trade receivables, the Group has applied the simplified approach and has calculated expected credit losses based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(b) The balances represented monies advanced to the local government for land development works at various land sites. The Group will be reimbursed for the amount advanced to the local government in carrying out the land development irrespective of whether the Group will obtain the land use rights of the land in the future.

(c) In estimating the provision for impairment of other receivables, the Group has grouped these other receivables based on same credit risk characteristics and the days past due and negotiation results with the debtors. During the six months ended 30 September 2025, the provision for impairment balance of RMB21.6 million in respect of Baishan and Yanji Property Projects was reclassified to assets associated with disposal group classified as held for sale.

## 14. CASH AND CASH EQUIVALENTS AND PLEDGED AND RESTRICTED DEPOSITS

| | Notes | 30 September 2025 (unaudited) *RMB'000* | 31 March 2025 (audited) *RMB'000* |
|---|---|---|---|
| Cash and bank balances | *(b)* | **5,059** | 8,427 |
| Less: Restricted bank deposits under pre-sale of properties | *(a)* | **(1,044)** | (3,324) |
| Cash and cash equivalents as stated in condensed consolidated statement of financial position | | **4,015** | 5,103 |
| Cash and cash equivalents attributable to disposal group classified as held for sale | *22(c)* | **986** | 3 |
| | | **5,001** | 5,106 |

(a) In accordance with relevant policies issued by the PRC local State-owned Land and Resource Bureau applicable to all property developers, the Group is required to place certain of the proceeds received from pre-sale of properties as guarantee deposits for construction of the properties. The restriction will be released upon the construction is completed. The restricted cash earns interest at floating daily bank deposit rates.

(b) At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB2.7 million (31 March 2025 (audited): RMB8.2 million). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

## 15. TRADE AND OTHER PAYABLES

| | Notes | 30 September 2025 (unaudited) *RMB'000* | 31 March 2025 (audited) *RMB'000* |
|---|---|---|---|
| Trade payables | *(a)* | **6,980** | 33,676 |
| Accrued construction costs | | **139,444** | 276,435 |
| Interest payable | | **3,982** | 31,501 |
| Other creditors and accruals | | **29,219** | 43,785 |
| Other deposits received | | **748** | 50,515 |
| | | **180,373** | 435,912 |

(a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | 30 September 2025 (unaudited) *RMB'000* | 31 March 2025 (audited) *RMB'000* |
|---|---|---|
| Within 30 days | **76** | 2,224 |
| 31 days-180 days | **2,028** | 2,478 |
| Over 180 days | **4,876** | 28,974 |
| | **6,980** | 33,676 |

## 16. CONTRACT LIABILITIES

| | *Notes* | 30 September 2025 (unaudited) *RMB'000* | 31 March 2025 (audited) *RMB'000* |
|---|---|---|---|
| Deposits from sales of properties | *(a)* | **48,427** | 53,438 |
| Receipt in advance from management services | *(b)* | **15,440** | 13,207 |
| | | **63,867** | 66,645 |

(a) Deposits from sales of properties represent sale proceeds received from customers in connection with the Group's pre-sale of properties. The deposit will be transferred to profit or loss upon the Group's revenue recognition criteria are met.

(b) Receipt in advance from management services represents the fee received in advance for property management. The receipts will be transferred to profit or loss upon the Group's revenue recognition criteria are met.

## 17. LOANS FROM A SUBSTANTIAL SHAREHOLDER

The amounts are unsecured, interest free and repayable on demand.

## 18. LOANS FROM RELATED PARTIES

The amounts are unsecured, interest free and repayable with one year or on demand.

## 19. BANK AND OTHER BORROWINGS

| | Notes | 30 September 2025 (unaudited) RMB'000 | 31 March 2025 (audited) RMB'000 |
|---|---|---|---|
| Current | | | |
| Bank loans – secured | *(i)* | **—** | 240,980 |
| Bank loan – unsecured | *(ii)* | **1,991** | 2,110 |
| Other borrowings – unsecured | *(iii)* | **90,684** | — |
| | | **92,675** | 243,090 |
| Non-current | | | |
| Other borrowings – unsecured | *(iv)* | **35,507** | — |
| | | **128,182** | 243,090 |

| | 30 September 2025 (unaudited) RMB'000 | 31 March 2025 (audited) RMB'000 |
|---|---|---|
| Analysed into: | | |
| Bank loans and other borrowings repayable: | | |
| Within one year or on demand | **92,675** | 243,090 |
| In the second year | **35,507** | — |
| | **128,182** | 243,090 |

*Notes:*

(i) As at 31 March 2025, the bank loan of RMB8.0 million that bore interests at a fixed rate of 6% per annum, was secured by the pledges of the completed properties held for sale with carrying amount of RMB8.8 million as at 31 March 2025 and 100% equity interests of a subsidiary of the Group, and was unguaranteed; The bank loan of RMB2.0 million that bore interests at a fixed rate of 6% per annum, was secured by a second charge of completed properties held for sale with carrying amount of RMB8.8 million as at 31 March 2025, and was unguaranteed; The bank loan of RMB231.0 million that bore interests at a fixed rate of 6% to 7.3% per annum, was secured by investment properties with fair value of RMB217.0 million as at 31 March 2025, and was guaranteed by personal and corporate guarantees of certain connected parties of the Group. These loans were reclassified to liabilities associated with disposal group held for sale (note 22(c)) as at 30 Septermber 2025.

(ii) As at 30 September 2025, the bank loan of RMB2.0 million (31 March 2025 (audited): RMB2.1 million) that bears interests at a floating rate of loan prime rate plus 0.28% per annum is unsecured and unguaranteed.

(iii) As at 30 September 2025, the other borrowings of RMB90.7 million (31 March 2025 (audited): Nil) are interest-free, unsecured and unguaranteed.

(iv) As at 30 September 2025, the other borrowings of RMB35.5 million (31 March 2025 (audited): Nil) that bear interests at a fixed rate of 5% per annum, are unsecured and unguaranteed.

## 20. DERIVATIVE FINANCIAL INSTRUMENTS AND CONVERTIBLE BONDS

On 23 June 2023, the Company completed the placement of convertible bonds with an aggregate principal amount of HK$60,000,000 (equivalent to approximately RMB55,734,000) to not less than six placees (the "2023 CBs" or "Convertible Bonds"). The maturity date of the 2023 CBs is 22 June 2026. The 2023 CBs are convertible into the Company's ordinary shares of HK$0.05 each at an initial conversion price of HK$0.445 per share subject to adjustments. The interest rate is 6% per annum payable quarterly in arrears before the maturity date. Upon the capital reorganisation becoming effective on 17 January 2025, the conversion price has been adjusted to HK$8.90 per share.

The conversion rights are exercisable at any time from the date of issue of the 2023 CBs up to the maturity date, provided that any conversion does not result in the public float of the Company's shares being less than 25% (or any given percentage as required by the Listing Rules). The 2023 CBs are not transferrable without the prior written consent of the Company.

The Company may at any time before the maturity date redeem the 2023 CBs (in whole or in part) at 100% of its principal amount. The Company has not early redeemed any portion of the 2023 CBs during the period.

### Accounting treatment

The Company's early redemption right attaching to the Convertible Bonds are considered not closely related to the liability component of the Convertible Bonds; and therefore, these embedded features have been accounted for separately and classified as derivative financial instruments according to HKFRS 9 Financial Instruments.

On the basis that the conversion options of the Convertible Bonds will be settled by the exchange of a fixed amount or fixed number of equity instruments, the Convertible Bonds are accounted for as compound instruments according to HKAS 32 Financial Instruments: Presentation. The deemed proceeds, after the fair value of the early redemption right features are bifurcated, have been split into between a liability component and an equity component. The residual amount, representing the value of the equity component, is credited to "Equity component of the Convertible Bonds" in the Group's equity attributable to the Company's shareholders.

After initial recognition, the Company's early redemption right features classified as derivative financial instruments are remeasured to their fair value at each period end using the binomial pricing model. The liability component of the Convertible Bonds are subsequently carried at amortised cost.

Up to the date of maturity of the Convertible Bonds, if the bond holder had not exercised the conversion option of the Convertible Bonds, the equity component of the Convertible Bonds would be fully transferred to retained earnings; and the early redemption right features classified as derivative financial instruments would be derecognised on the same date.

**Early redemption right features of the 2023 CBs**

The movement in the Company's early redemption right features classified as derivative financial instruments measured at fair value are as follows:

| | *RMB'000* |
|---|---|
| At 1 April 2025 | 288 |
| Change in fair value of derivative financial instruments | (116) |
| Exchange realignment | (4) |
| **At 30 September 2025 (unaudited)** | 168 |

**Liability component of the 2023 CBs**

The movement of the liability component of the Convertible Bonds recognised in the condensed consolidated statement of financial position is as follows:

| | *RMB'000* |
|---|---|
| At 1 April 2025 | 48,517 |
| Accrued effective interest | 6,270 |
| Accrued coupon interest transferred to interest payables | (1,672) |
| Exchange realignment | (1,589) |
| **At 30 September 2025 (unaudited)** | 51,526 |

The imputed finance cost on the liability component of the Convertible Bonds is calculated using the effective interest method by applying effective interest rates per annum. The effective interest rates of the Convertible Bonds is 16.23% (31 March 2025 (audited): 4.61% - 16.23%).

**Equity component of the 2023 CBs**

The movement of the equity component of the 2023 CBs is as follows:

| | *RMB'000* |
|---|---|
| At 1 April 2025 and at 30 September 2025 (unaudited) | 38,029 |

As at 30 September 2025, the aggregate principal amount of the Convertible Bonds was approximately HK$60,000,000 (equivalent to RMB55,137,000) (31 March 2025 (audited): HK$60,000,000 (equivalent to RMB55,734,000)). Should the conversion rights attaching to the Convertible Bonds be exercised in full, additional 6,741,573 ordinary shares (which is calculated based on the adjusted conversion price of HK$8.9 per as at 30 September 2025) would have been allotted and issued, which represent approximately 1.9% of the issued share capital of the Company at 30 September 2025.

## 21. SHARE CAPITAL

| | **Number of ordinary shares** | **Nominal value** | |
|---|---|---|---|
| | *'000* | *HK$'000* | *RMB'000* |
| ***Authorised:*** | | | |
| Ordinary shares of HK$0.01 each | 78,000,000 | 780,000 | 684,000 |
| ***Issued:*** | | | |
| Ordinary shares of HK$0.01 each | | | |
| At 31 March 2025 (audited) | 360,182 | 3,602 | 3,115 |
| **At 30 September 2025 (unaudited)** | **360,182** | **3,602** | **3,115** |

## 22. DISPOSAL OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATION

### (a) Disposal of Fusong Property Project (as defined below)

In October 2024, the Group entered into a conditional equity transfer agreement with an independent third party for the disposal of the entire equity interest in Jilin Province Ground Tourism Development Company Limited# and its three subsidiaries (the "**Fusong Property Project**") at a consideration of RMB1.0 (the "**Fusong Disposal**"). As at 31 March 2025, the Fusong Property Project was classified as disposal group classified as held for sale. The disposal was completed on 30 September 2025 and a gain on disposal of disposal group classified as held for sale of RMB18,698,000 was recognised in profit or loss and included in other income and gains.

Details of the Fusong Disposal are set out in the Company's announcements dated 25 October 2024, 6 December 2024, 15 January 2025, 28 March 2025, 30 June 2025 and 30 September 2025 and circular of the Company dated 29 November 2024.

The following summarises the consideration and carrying amount of the assets and liabilities at the date of disposal:

| | *RMB'000* |
|---|---|
| Assets and liabilities disposed of: | |
| Property, plant and equipment | 8 |
| Properties under development | 494,136 |
| Other receivables | 10,107 |
| Cash and cash equivalents | 2 |
| Trade and other payables | (114,651) |
| Bank and other borrowings | (408,300) |
| Net (liabilities) | (18,698) |
| Total consideration: | |
| Cash consideration received | –* |
| Net (liabilities) disposed of | (18,698) |
| Gain on disposal of disposal group classified as held for sales *(note 5(b))* | 18,698 |

An analysis of the net outflow of cash and cash equivalents in respect of Fusong Disposal is as follows:

| | *RMB'000* |
|---|---|
| Cash consideration received | –* |
| Cash and cash equivalents disposed of | (2) |
| Net outflow of cash and cash equivalents | (2) |

* *Represent amount less than RMB1,000*

\# *English translation for identification purpose only*

**(b) Disposal of potential Dunhua projects**

On 18 September 2025, the Group entered into an equity transfer agreement with an independent third party to dispose of the entire equity interests in 華音國際控股(敦化)有限公司 (Hua Yin International Holdings (Dunhua) Company Limited#) and its subsidiaries, at a consideration of RMB1.0 (the "Dunhua Disposal"). The Dunhua Disposal was completed on 26 September 2025 and a gain on disposal of subsidiaries of RMB123,000 was recognised in profit or loss and included in other income and gains. Details of the Dunhua Disposal are set out in the Company's announcement dated 18 September 2025.

The following summaries the consideration and carrying amount of the assets and liabilities at the date of disposal:

| | *RMB'000* |
|---|---|
| Assets and liabilities disposed of: | |
| Property, plant and equipment | 70 |
| Prepaid income tax | 491 |
| Deposits and other receivables | 45,520 |
| Cash and cash equivalents | 8 |
| Trade and other payables | (31,874) |
| Loans from related parties | (14,338) |
| Net (liabilities) | (123) |
| Total consideration: | |
| Cash consideration received | –* |
| Net (liabilities) disposed of | (123) |
| Gain on disposal of subsidiaries *(note 5(b))* | 123 |

An analysis of the net outflow of cash and cash equivalents in respect of Dunhua Disposal is as follows:

| | *RMB'000* |
|---|---|
| Cash consideration received | –* |
| Cash and cash equivalents disposed of | (8) |
| Net outflow of cash and cash equivalents | (8) |

* *Represent amount less than RMB1,000*

# *English translation for identification purpose only*

**(c) Disposal of Baishan and Yanji Property Projects**

In July 2025, the Group entered into a conditional equity transfer agreement with an independent third party for the disposal of the entire equity interest in Changchun Zhujia Real Estate Development Company Limited#, Baishan Ground Real Estate Development Company Limited#, Baishan Ground Business Management Company Limited# and Yanji Huize Real Estate Development Company Limited# (the "Disposal Group"), all of which are wholly-owned subsidiaries of the Group, at a consideration of RMB1.0. Details of the disposal are set out in the Company's announcement dated 28 July 2025 and circular dated 16 September 2025.

The disposal of the Disposal Group was classified as a disposal group held for sale. In addition, the disposal of property investment business, being as a part of the disposal of Baishan and Yanji Property Projects, was also classified as a discontinued operation under HKFRS 5 for financial reporting purpose. The Group's management considers the disposal of the Disposal Group to be an exit plan to cease the Group's presence in Baishan City and Yanji City and plans to focus its resources to other geographical locations and/or other business opportunities. Hence, the property investment segment remains to be one of the operating segments of the Group and the Group is actively seeking for potential properties to hold for rental income or capital appreciation, subject to the investment return, synergy and exit potentials of any opportunities.

*(i)* *Disposal group as held for sale*

The major classes of assets and liabilities of the Disposal Group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell at the end of the reporting period are as follows:

| | *Notes* | **Carrying amount as classified as held for sale** *RMB'000* |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment | | 299 |
| Investment properties | *(b)* | 309,500 |
| Deferred tax assets | | 9,560 |
| Right-of-use assets | | 159 |
| Properties under development and completed properties held for sale | *(c)* | 46,633 |
| Trade and other receivables | | 11,939 |
| Prepaid income tax | | 5,993 |
| Pledged and restricted deposits | | 1,857 |
| Cash and cash equivalents | *14* | 986 |
| Assets associated with disposal group classified as held for sale | | 386,926 |
| **Liabilities** | | |
| Trade and other payables | | 216,213 |
| Contract liabilities | | 12,566 |
| Lease liabilities | | 8,883 |
| Income tax payables | | 47,253 |
| Deferred tax liabilities | | 8 |
| Bank and other borrowings | *(d)* | 240,980 |
| Liabilities associated with disposal group classified as held for sale | | 525,903 |
| Net liabilities attributable to the disposal group classified as held for sale | | (138,977) |

# *English translation for identification purpose only*

(a) No gain or loss arising from initial recognition and subsequent measurement of disposal group classified as held for sale has been recognised in condensed consolidated statement of comprehensive income for the period.

(b) As at 30 September 2025, the investment properties were related to certain self-owned and leased retail units and car park spaces of a shopping mall in Baishan City, Jilin Province that was reclassified from the Group's investment properties. These investment properties were stated at fair value and were valued by Colliers Appraisal and Advisory Services Company Limited, independent professional qualified valuers.

Fair value hierarchy

The following table illustrates the fair value hierarchy of the investment properties under assets associated with disposal group classified as held for sale:

| | **Fair value measurement as at 30 September 2025 using** | | | |
|---|---|---|---|---|
| | **Quoted prices in active markets (Level 1) (unaudited)** | **Significant observable inputs (Level 2) (unaudited)** | **Significant unobservable inputs (Level 3) (unaudited)** | **Total (unaudited)** |
| | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** |
| Recurring fair value measurement: | | | | |
| Retail shops and car park spaces | – | – | 309,500 | 309,500 |

As at 30 September 2025, the investment properties under assets associated with disposal group classified as held for sale with carrying amount of RMB216,000,000 were pledged to banks to secure certain bank loans granted to the Group as detailed in note (d).

(c) As at 30 September 2025, the completed properties held for sale under assets associated with disposal group classified as held for sale with carrying value of RMB8.8 million were pledged to banks to secure certain of the bank loans granted to the Group as detailed in note (d).

(d) Bank and other borrowings

| | Notes | 30 September 2025 (unaudited) RMB'000 |
|---|---|---|
| Current | | |
| Bank loans – secured | (i) | **240,980** |
| Analysed into: | | |
| Bank loans repayable: | | |
| Within one year or on demand | | **240,980** |

(i) As at 30 September 2025, the bank loan of RMB8.0 million that bears interests at a fixed rate of 6% per annum, is secured by the pledges of the completed properties held for sale under assets associated with disposal group classified as held for sale with carrying amount of RMB8.8 million as at 30 September 2025 and 100% equity interests of a subsidiary of the Group, and is unguaranteed; the bank loan of RMB2.0 million that bears interests at a fixed rate of 6% per annum, is secured by a second charge of completed properties held for sale under assets associated with disposal group classified as held for sale with carrying amount of RMB8.8 million as at 30 September 2025, and is unguaranteed; and the bank loan of RMB231.0 million that bears interests at a fixed rate of 6% to 7.3% per annum, is secured by investment properties with fair value of RMB216.0 million as at 30 September 2025, and is guaranteed by personal and corporate guarantees of certain connected parties of the Group.

*(ii) Discontinued operation – property investment*

The results of the discontinued operation during the six months ended 30 September 2025 are summarised as follows:

| | Six months ended 30 September 2025 (unaudited) RMB'000 | 2024 (unaudited) RMB'000 |
|---|---|---|
| Revenue | **5,975** | 6,736 |
| Other income and gains | **16** | — |
| Selling and distribution expenses | **(777)** | (835) |
| Administrative expenses | **(1,729)** | (1,049) |
| Finance costs | **(677)** | (1,585) |
| Other expenses | **(96)** | (14) |
| Change in fair value of investment properties | **(5,788)** | (6,500) |
| Loss before tax for the period from discontinued operation | **(3,076)** | (3,247) |
| Income tax | **–** | 625 |
| Loss for the period from discontinued operation | **(3,076)** | (2,622) |

The net cash flows incurred by discontinued operation are as follows:

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(unaudited)** | (unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Operating activities | **5,820** | 7,459 |
| Investing activities | **–** | (398) |
| Financing activities | **(6,297)** | (6,681) |

**Loss per share**

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(unaudited)** | (unaudited) |
| Loss per share: | | |
| Basic, from the discontinued operation | **RMB(0.85) cents** | RMB(0.73) cents |
| Diluted, from the discontinued operation | **RMB(0.85) cents** | RMB(0.73) cents |

The calculation of basic and diluted (loss) per share from the discontinued operation are based on:

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(unaudited)** | (unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Loss attributable to owners of the parent from the discontinued operation | **(3,076)** | (2,622) |

| | Number of shares | |
|---|---|---|
| | **2025** | 2024 |
| | **(unaudited)** | (unaudited) |
| | ***'000*** | *'000* |
| Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation | **360,182** | 360,182 |
| Weighted average number of ordinary shares used in the diluted loss per share calculation | **360,182** | 360,182 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

During the six months ended 30 September 2025, the Group's management carried on monitoring closely the financial position and cash flows of the Group. In particular, the Group has strived to reduce the level of debts at both onshore and offshore level. At the same time, the management carried out periodic review on the Group's asset portfolio and the respective performance. After the recent review, the following corporate actions had been taken during the period:

### Disposal of property projects in Baishan and Yanji

On 28 July 2025, the Group entered into an equity transfer agreement with an independent third party purchaser to dispose of the property projects in Baishan City and Yanji City for a nominal consideration of RMB1.

The underlying assets included:

***(a) Investment properties***

- Guangze International Shopping Centre – self-owned shopping units and car parks
- Guangze International Shopping Centre – leased shopping units

***(b) Properties under development***

- Guangze China House – Phase IIB where the land premium has been settled

***(c) Completed properties***

- Guangze International Shopping Centre – residential units and car parks
- Guangze China House – Phase I – residential and commercial units
- Guangze China House – Phase IIA – residential units
- Guangze Red House – Phase I, II and III – commercial units

The disposal also led to a decrease in the Group's bank loans by approximately RMB241.0 million which will further improve the Group's debt level.

Details of the disposal were set out in the Company's circular dated 16 September 2025 and announcement dated 28 July 2025. The disposal is yet to complete as at the date of this announcement.

### Completion of the disposal of the cultural tourism property project in Fusong County (the "Fusong Property Project")

On 30 September 2025, the Group completed the disposal of Fusong Property Project which the equity transfer agreement was originally entered into on 25 October 2024. Subsequent extensions had been made on the long stop date of the transaction to 30 June 2025 and 31 October 2025 as additional time was required to complete the condition precedents of the transaction. The assets and liabilities of the Fusong Property Project had been derecognised from the Group's financial statements as at 30 September 2025.

After the completion of the above two disposals, the Group's bank and other borrowings will be significantly decreased from approximately RMB651.4 million to approximately RMB128.2 million.

## OUTLOOK

Given the Group's existing debt level and the net liabilities position, the Group's management is actively exploring various financing options, including but not limited to discuss with the Company's major shareholders for financial support and seeking professional advice in other alternative strategies in improving the Group's financial position.

As stated in the Company's circular dated 16 September 2025, the Group will continue to look at potential projects in its property development and property investment business segments. At the same time, the Group's management will endeavour to extend and diversify into other relevant business opportunities, such as ginseng and mineral water businesses. In particular, the Group has carried out research and detailed feasibility study in the ginseng business. The Group's management expects to complete the purchase of ginsengs in cultivation in Ji'an City, Jilin Province, where ginsengs are abundantly and naturally grown by farmers, by the end of the 2025. The Group's marketing team has been actively developing market penetration and promotional strategies with multiple sales channels; and it is expected that sales will commence in the first quarter of 2026.

The Group's management has been closely monitoring the financial position and the debt portfolio of the Group and of the Company. The management had carried out negotiations with financial institutions, substantial shareholders, and professional parties to explore possible options for improvement. The Group has decreased its bank loans through the disposals of project companies during the past years; transferred convertible bonds to shareholder loans; and explored the possibility to raise funds via equity financing. However, all the above ways has been unable to reduce the Group's net liabilities position and the Group's liabilities which were at approximately RMB654.7 million and RMB1,374.4 million respectively as at 30 September 2025. Subsequent to 30 September 2025, the Group is actively pursuing further initiatives with professional advisers and major shareholders that are expected to improve the Group's net liabilities and liabilities position including but not limited to debt financing, equity financing and debt restructuring. Further announcement(s) will be made as and when appropriate.

## BUSINESS REVIEW

For the six months ended 30 September 2025, the Group's overall revenue from continuing operations was approximately RMB29.8 million (six months ended 30 September 2024: RMB122.5 million), representing a decrease of 75.7%. The Group had a gross profit from continuing operations of RMB3.2 million for the six months ended 30 September 2025 (six months ended 30 September 2024: RMB11.5 million) and net loss from continuing operations for the period of RMB30.1 million (six months ended 30 September 2024: RMB598.5 million).

**Property Development**

During the six months ended 30 September 2025, the Group has remaining residential units and car park units in Guangze Jiuxi Red House – Phase I held for sales.

In July 2025, the Group entered into an agreement to dispose of the completed property projects in Baishan City and Yanji City, including (i) Guangze China House – Phases I and II; (ii) Guangze International Shopping Centre – residential units; and (iii) Guangze Red House – Phases I, II and III.

As at 30 September 2025, the Group has one property project, namely Guangze Jiuxi Red House – Phase II under construction in Jiutai District, Changchun City; and is expected to complete by the first quarter of 2026.

In the coming years, the Group will continue to replenish its land reserve on a prudent approach given the property market in the PRC remains with uncertainties.

***Properties completed, delivered and sale of properties recognised during the six months ended 30 September 2025***

For the six months ended 30 September 2025, sales of properties of approximately RMB16.5 million were recorded with an aggregate gross floor area ("GFA") of 3,957 sq.m. which were mainly contributed from the sales of remaining units of Guangze China House – Phase II A that were completed in last financial year.

The Group did not deliver and recognise any sale of car park units for the six months ended 30 September 2025 (six months ended 30 September 2024: RMB12.2 million from the sale of 67 car park units).

**Property Investment**

As set out in section headed "Overview", the Group has entered into an equity transfer agreement with an independent third party to dispose of property projects in Baishan and Yanji. This included the Group's investment properties of Guangze International Shopping Centre – self owned and leased portion. Such disposal is yet to complete as at 30 September 2025.

Accordingly, the investment properties remained subject to valuation at interim period end. The fair value of the investment properties decreased from RMB315.3 million at 31 March 2025 to RMB309.5 million at 30 September 2025.

The Group's management considers the property investment segment remains to be one of the operating segments of the Group and the Group is actively seeking for potential properties to hold for rental income or capital appreciation, subject to the investment return, synergy and exit potentials of any opportunities. The re-classification of the property investment segment as discontinued operation for financial reporting purpose was in accordance with HKFRS 5.

**Ginseng business**

As mentioned in the Group's annual reports in the past, given the PRC property market sentiment, the Group has decided to diversify from the property development and property investment into ginseng and mineral water businesses. In particular, the Group has commenced the ginseng business by entering into a purchase agreement with an independent third party ginseng farmer to purchase unharvested ginsengs naturally grown underground in forest land (the "Linxia Ginsengs") together with the operation rights of the forest land in Ji'an City, Jilin Province. The Group's management expects to complete the procurement of the Linxia Ginsengs by the end of 2025, and the sales of Linxia Ginsengs to commence in the first quarter of 2026.

## FINANCIAL REVIEW

**Preparation of the Group's condensed consolidated financial statements for the six months ended 30 September 2025**

In July 2025, the Group entered into an equity transfer agreement with an independent third party for the disposal of the equity interests in 長春市築家房地產開發有限公司 (Changchun Zhujia Real Estate Development Company Limited*), 白山市廣澤商業管理有限公司 (Baishan Ground Business Management Company Limited*), 白山市廣澤房地產開發有限公司 (Baishan Ground Real Estate Development Company Limited*) and 延吉市惠澤房地產開發有限公司 (Yanji Huize Real Estate Development Company Limited*) (the "Disposal Group") as detailed in the section headed "BUSINESS REVIEW" of this announcement.

In accordance with HKFRS 5, all assets and liabilities associated with the Disposal Group as at 30 September 2025 are grouped under "Assets associated with disposal group classified as held for sale" and "Liabilities associated with disposal group classified as held for sale" under current assets and current liabilities, respectively. The assets and liabilities of the Disposal Group as at 31 March 2025 are not restated.

In addition, the Group's property investment segment is treated and presented as discontinued operation. Comparative figures in the consolidated statement of profit or loss and consolidated statement of comprehensive income for the six months ended 30 September 2024 have been re-presented to disclose separately the profit or loss and total comprehensive income from such discontinued operation.

**Key changes to profit or loss**

***Revenue***

| | **Six months ended 30 September 2025** | | Six months ended 30 September 2024 | |
|---|---|---|---|---|
| | ***RMB'000*** | *%* | *RMB'000* (restated) | *%* (restated) |
| Sale of properties | **16,506** | **55.4** | 107,352 | 87.6 |
| Property management service income | **13,276** | **44.6** | 15,145 | 12.4 |
| | **29,782** | **100.0** | 122,497 | 100.0 |

The Group's revenue decreased from RMB122.5 million for the six months ended 30 September 2024 (restated) to RMB29.8 million for the six months ended 30 September 2025 or a decrease by 75.7%, mainly contributed from the decrease in sale of properties by 84.6% or RMB90.8 million as compared with the corresponding period. The decrease in sales of properties during the six months ended 30 September 2025 was attributable to the fact that no new properties project were completed and delivered during the period.

The property management service income for the six months ended 30 September 2025 decreased by RMB1.9 million mainly attributable to the fact that the Group ceased to provide management services to the properties at Guangze Red House – Phase I, II and III in Yanji since July 2024.

***Gross profit and gross margin***

| | **Six months ended 30 September 2025** | | Six months ended 30 September 2024 | |
|---|---|---|---|---|
| | **(Gross loss) Gross Profit** ***RMB'000*** | **Gross margin** *%* | Gross Profit *RMB'000* | Gross margin *%* |
| Sale of properties | **(3,689)** | **(22.3)** | 4,053 | 3.8 |
| Property management service income | **6,897** | **52.0** | 7,472 | 49.3 |
| Total | **3,208** | **10.8** | 11,525 | 9.4 |

For the six months ended 30 September 2025, the Group recorded an overall gross profit of RMB3.2 million, representing a decrease of RMB8.3 million or 72.2% from the gross profit of RMB11.5 million for the six months ended 30 September 2024 (restated). The decrease in the Group's gross profit for the six months ended 30 September 2025 was mainly related to the property development business, primarily attributable to (i) a decrease in sale of properties as explained above; and (ii) a further write-down of completed properties held for sale to its net realisable value of approximately RMB4.5 million relating to Guangze China House project during the six months ended 30 September 2025.

### *Selling and distribution expenses*

The selling and distribution expenses for the six months ended 30 September 2025 decreased by RMB0.6 million or 40.0% from RMB1.5 million for the six months ended 30 September 2024 (restated) to RMB0.9 million for the six months ended 30 September 2025 as the Group has streamlind its sales function given the number of projects in progress decreased.

### *Administrative expenses*

The decrease in administrative expenses by RMB6.5 million from RMB17.3 million for the six months ended 30 September 2024 (restated) to RMB10.8 million for the six months ended 30 September 2025 was mainly attributable to the decrease in office expenditure by continued cost control measures implemented on the Group.

### *Other expenses*

Other expenses decreased from RMB642.4 million for the six months ended 30 September 2024 to RMB7.1 million for the six months ended 30 September 2025, mainly attributable to the write-down of the properties under development in respect of the Fusong Property Project for the six months ended 30 September 2024.

### *Finance costs*

| | **Six months ended 30 September** | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | | (restated) |
| Interest on bank and other borrowings | **27,035** | 26,935 |
| Interest on Convertible Bonds | **6,270** | 4,886 |
| Interest on lease liabilities | **97** | 407 |
| Interest on loan from a substantial shareholder | **–** | 517 |
| | **33,402** | 32,745 |
| Less: interest capitalised into properties under development | **–** | (13,111) |
| | **33,402** | 19,634 |

The increase in finance costs by RMB13.8 million from RMB19.6 million for the six months ended 30 September 2024 to RMB33.4 million for the six months ended 30 September 2025 was mainly attributable to less interest capitalised into properties under development during the period as the interest was not qualified for capitalisation under accounting standards.

***Change in fair value of derivative financial instruments***

The derivative financial instruments represented the Company's early redemption right feature of the Convertible Bonds. A loss in fair value of approximately RMB0.1 million was recorded for the six months ended 30 September 2025 as a result of deterioration of its time value.

***Income tax***

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **Current tax** | | |
| PRC Corporate Income Tax | **150** | 94 |
| | **150** | 94 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | **–** | (70,803) |
| Total charge/(credit) | **150** | (70,709) |

***Current tax***

The Group's current income tax represents Land Appreciation Tax (LAT) and Corporate Income Tax (CIT). For the six months ended 30 September 2025 and 2024, the Group recognise current CIT provision relating to the project company on Guangze Jinxi Red House. No LAT provision was made for the six months ended 30 September 2025 and 2024 because the Group did not meet for LAT levy requirement set forth in the relevant PRC tax laws and regulations.

***Deferred tax***

A tax credit from deferred tax of RMB70.8 million was recorded for the six months ended 30 September 2024 was mainly attributable to the reversal of taxable temporary difference resulting from the write-down of the properties under development in respect of the Fusong Property Project made. No such items during the current period.

**Key changes to financial position**

***Investment properties***

The Group's investment properties were certain shopping mall units in Baishan City, Jilin Province. These investment properties were stated at fair value and were valued by Colliers Appraisal and Advisory Service Company Limited (an independent professional qualified valuer). As at 30 September 2025, these investment properties were reclassified to assets associated with disposal group classified as held for sale.

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

As at 30 September 2025, the Group's properties under development was mainly Guangze Jiuxi Red House – Phase II; and the completed properties held for sale were mainly unsold units of Guangze Jiuxi Red House – Phase I. The remaining residential and commercial units and car parking spaces at projects completed in prior years including those relating to Baishan and Yanji Property Projects were reclassified to assets associated with disposal group classified as held for sale during the period.

***Trade and other receivables***

| | Notes | **30 September 2025** *RMB'000* | 31 March 2025 *RMB'000* |
|---|---|---|---|
| Trade receivables, gross | | **23,153** | 19,697 |
| Less: Provision for impairment | | **(13,920)** | (13,920) |
| Trade receivables, net | *(i)* | **9,233** | 5,777 |
| Other receivables | | | |
| – Deposits for land development expenditure | *(ii)* | **–** | 9,467 |
| – Deposits for construction and pre-sale of property projects | | **–** | 1,562 |
| – Prepaid business tax and other taxes | | **11,059** | 15,557 |
| – Other receivables, prepayments and deposits | | **35,374** | 47,585 |
| Less: Provision for impairment | *(iii)* | **(2,459)** | (24,087) |
| | | **43,974** | 50,084 |
| Total trade and other receivables | | **53,207** | 55,861 |

(i) Trade receivables mainly related to property management fee receivables from property unit owners. At 30 September 2025, the increase in trade receivable from RMB5.8 million as at 31 March 2025 to RMB9.2 million as at 30 September 2025 was manly attributable to the changes of payment pattern by the customers.

(ii) Land development expenditure made by certain subsidiaries of the Group represented monies advanced to the local government for land development works at various land sites. The Group will be reimbursed for the amount advanced to the local government in carrying out the land development irrespective of whether or not the Group will obtain the land use rights of the land in the future. A gross amount of RMB9.5 million was reclassified to assets associated with disposal group classified as held for sale as at 30 September 2025.

(iii) The decrease in provision for impairment on other receivables by RMB21.6 million during the six months ended 30 September 2025 was attributable to the re-classification of such balance to assets associated with disposal group classified as held for sale.

***Trade and other payables***

| | Notes | **30 September 2025** *RMB'000* | 31 March 2025 *RMB'000* |
|---|---|---|---|
| Trade payables | *(i)* | **6,980** | 33,676 |
| Accrued construction costs | *(i)* | **139,444** | 276,435 |
| Interest payable | | **3,982** | 31,501 |
| Other creditors and accruals | | **29,219** | 43,785 |
| Other deposits received | | **748** | 50,515 |
| | *(ii)* | **180,373** | 435,912 |

(i) The net decreases in trade payables and accrued construction costs from RMB33.7 million and RMB276.4 million as at 31 March 2025 to RMB7.0 million and RMB139.4 million as at 30 September 2025 respectively, primarily attributable to (i) the settlement of construction cost during the period; and (ii) an amount of RMB48.4 million being reclassified to liabilities associated with disposal group classified as held for sale as at 30 September 2025.

(ii) The overall decrease in trade and other payables from RMB435.9 million as at 31 March 2025 to RMB180.4 million as at 30 September 2025 was mainly contributed by the reclassification of the balance to liabilities associated with disposal group classified as held for sale which the Group's management has continually focused on reducing the Group's liabilities position through the disposal of the Disposal Group.

***Contract liabilities***

| | Notes | **30 September 2025** *RMB'000* | 31 March 2025 *RMB'000* |
|---|---|---|---|
| Deposits from sale of properties | *(i)* | **48,427** | 53,438 |
| Receipt in advance from management services | *(ii)* | **15,440** | 13,207 |
| | | **63,867** | 66,645 |

(i) Deposits from sales of properties represent contractual payments received from customers in connection with the Group's pre-sale of properties. The deposit will be transferred to profit or loss upon the Group's revenue recognition criteria are met. The decrease in balance was mainly attributable to the delivery of in respect of Guangze China House – Phase IIA during the period.

(ii) Receipt in advance from management services represent the fee received in advance for property management. The receipts will be transferred to profit or loss upon the Group's revenue recognition criteria are met.

### Liquidity and financial resources

***Cash position***

As at 30 September 2025, the carrying amount of cash and bank deposits of the Group was approximately RMB4.0 million (as at 31 March 2025: approximately RMB5.1 million), representing an decrease of approximately 21.6% as compared with that as at 31 March 2025.

***Debt and gearing***

The Group's bank and other borrowings (excluding Disposal Group) as at 30 September 2025 were payable as follows:

| | **30 September 2025** *RMB'000* | 31 March 2025 *RMB'000* |
|---|---|---|
| Current | **92,675** | 243,090 |
| Non-current | **35,507** | – |
| | **128,182** | 243,090 |
| Analysed into: | | |
| Bank loans and other loans repayable: | | |
| Within one year or on demand | **92,675** | 243,090 |
| In the second year | **35,507** | – |
| | **128,182** | 243,090 |

At 30 September 2025, the Group's bank and other borrowings decreased by RMB114.9 million as compared to that at 31 March 2025 primarily attributable to (i) the reclassification of certain bank loans of RMB241.0 million to liabilities associated with disposal group classified as held for sales and (ii) the issuance of new other borrowings; and partially offset by settlement of certain loans from substantial shareholder.

The Group's gearing ratio (excluding Disposal Group) as at 30 September 2025 was as follows:

| | **30 September 2025** *RMB'000* | 31 March 2025 *RMB'000* |
|---|---|---|
| Loans from a substantial shareholder | **378,861** | 449,363 |
| Loans from related parties | **35,508** | 50,060 |
| Bank and other borrowings | **128,182** | 243,090 |
| Trade and other payables | **180,373** | 435,912 |
| Less: Cash and cash equivalents | **(4,015)** | (5,103) |
| Less: Pledged and restricted deposits | **(1,044)** | (3,324) |
| Net debt | **717,865** | 1,169,998 |
| Liability associated with disposal group classified as held for sale | **525,903** | 504,169 |
| Liability component of the Convertible Bonds | **51,526** | 48,517 |
| (Deficit) | **(654,695)** | (623,301) |
| Adjusted Capital | **(77,266)** | (70,615) |
| Capital and debt | **640,599** | 1,099,383 |
| Gearing ratio | **112%** | 106% |

The gearing ratio of the Group as at 30 September 2025, which is net debt divided by the adjusted capital plus net debt, remained stable as compared with 31 March 2025.

***Cash flows for the Group's operating activities***

For the six months ended 30 September 2025, the Group recorded net operating cash outflow from continuing operations of RMB55.4 million (six months ended 30 September 2024 (restated): RMB34.1 million). The outflow for the six months ended 30 September 2025 was mainly attributable to the gradual settlement of construction cost payable balances arising from the completed property projects.

## COMMITMENTS FOR DEVELOPMENT EXPENDITURE

As at 30 September 2025, the Group had contracted but not provided for commitments for development expenditure in respect of properties under development of RMB33.6 million (as at 31 March 2025: RMB64.5 million). The development expenditure will be funded by the Group's internal resources and/or project loans.

## FOREIGN EXCHANGE EXPOSURE

As at 30 September 2025, the Group was exposed to currency risk on financial assets and liabilities that were denominated in Hong Kong Dollars (HK$). As at 30 September 2025, approximately 30.9% of the Group's total cash and bank balance (including pledged bank deposits) were denominated in HK$ (as at 31 March 2025: 2.9%) and the Group's total borrowings were all denominated in RMB (31 March 2025: 100%). The Group currently does not have a foreign currency hedging policy in respect of foreign current assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

The Group will continue to monitor the change in the trend of interest rates and the potential causes that trigger large fluctuation in the exchange rates of RMB with HK$, and will consider hedging significant foreign currency exposure if necessary so as to mitigate the foreign currency exposure arising from the Group's business operation and to minimise the Group's financial risks.

## SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed elsewhere in this announcement, there were no significant investments held, and no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2025.

## CONTINGENT LIABILITIES

The Group has arranged bank financing for certain purchasers of property units developed by subsidiaries of the Group that provided guarantees to secure the repayment obligations of such purchasers. As at 30 September 2025, guarantees amounting to RMB141,000,000 were given to banks with respect to mortgage loans procured by purchasers of property units (as at 31 March 2025: RMB158,154,000). Included in the contingent liabilities, an amount of approximately RMB76,400,000 was related to the Disposal Group. Such guarantees will be terminated upon the earlier of (i) the issuance of the real estate ownership certificate to the purchasers and (ii) the satisfaction of mortgage loans by the purchasers of properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying 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 relevant properties. The Group's guarantee period starts from the dates of grant of the mortgages. During the period, the Group did not incur any material losses in respect of any of these guarantees. The Directors consider that the likelihood of default in payments by the purchasers is minimal and therefore the financial guarantee measured at fair value initially is immaterial. Also, in case of default in payments, the net realisable value of the relevant property units would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

## CHARGE ON ASSETS

As at 30 September 2025, the Group had the following assets pledged against bank and other borrowings granted:

| | **30 September 2025** *RMB'000* | 31 March 2025 *RMB'000* |
|---|---|---|
| Investment properties | **–** | 216,980 |
| Completed properties held for sale | **–** | 8,833 |
| Assets associated with disposal group classified as held for sale | **224,833** | 494,128 |

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2025, the Group had 163 (as at 31 March 2025: 178) full-time employees. Total staff costs from continuing operations (including directors' emoluments) incurred for the six months ended 30 September 2025 amounted to approximately RMB8.5 million (six months ended 30 September 2024: RMB8.7 million (restated)); the decrease in the total staff costs was mainly attributable to the decrease in number of staff for the six months ended 30 September 2025 compared with the same period in 2024. The Group's remuneration policy is in line with prevailing market practice and performance of individual staff. In addition to salaries, the Group also offers other benefits to its staff, including share options, discretionary bonus, training allowance and provident fund.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30 September 2025.

## CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has applied the principles in and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the reporting period, except for the following:

Ms. Cui Xintong ("Ms. Cui") resigned as executive Director and Chairperson on 30 May 2025. Following Ms. Cui's resignation, the Company became a single-gender board, which constituted a deviation from the diversity requirement under Rule 13.92 of the Listing Rules.

Mr. Wang Xueguang ("Mr. Wang XG") resigned as Independent Non-executive Director, and as member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company on 30 May 2025, the Company had only two independent non-executive Directors, namely, Mr. Tsang Hung Kei and Mr. Wang Xiaochu until 21 October 2025. Accordingly, the number of independent non-executive Directors and the members of the Audit Committee fell below the minimum number as required under Rules 3.10(1) and 3.21 of the Listing Rules.

On 21 October 2025, Ms. Wang Meirong ("Ms. Wang") was appointed as an independent non-executive Director and also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Following Ms. Wang's appointment, the Board has fully complies with Rules 3.10(1), 3.21 and 13.92 of the Listing Rules.

## REVIEW OF THE INTERIM RESULTS

The unaudited interim financial information for the six months ended 30 September 2025 has been reviewed by the auditor of the Company, Forvis Mazars CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. The Group's interim financial information for the six months ended 30 September 2025 has also been reviewed by the audit committee of the Company.

## EXTRACT OF AUDITOR'S INDEPENDENT REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The following is an extract of the auditor's independent review report on the Company's interim financial information for the six months ended 30 September 2025. The report includes particulars of the emphasis of matter without modified opinion:

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the HKAS 34 "Interim Financial Reporting".

***Emphasis of matter***

Without modifying our conclusion, we draw attention to note 2 of the condensed interim financial information concerning the adoption of the going concern basis on which the condensed interim financial information has been prepared. The Group incurred loss from continuing operations of RMB30.1 million for the six months ended 30 September 2025 and, as at that date, the Group had net current liabilities and net liabilities of approximately RMB627.5 million million and RMB654.7 million respectively. The Group may take longer time than expected to realise cash from the sales of its properties and/or have cash from external financial to meet its loan repayment obligations. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors, having considered the measures being taken by the Group as disclosed in note 2 to the condensed interim financial information, are of the opinion that the Group would be able to continue as a going concern. Accordingly, the directors have prepared the condensed interim financial information on a going concern basis. The condensed interim financial information does not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our conclusion is not modified in respect of this matter.

*The aforesaid "note 2 to the condensed interim financial information" in the extract from the auditor's independent review report is disclosed as note 2 in this result announcement.*

By order of the Board
**China Changbaishan International Holdings Limited**
**Xu Yingchuan**
*Acting Chairperson*

Hong Kong, 27 November 2025

*As at the date of this announcement, the executive Directors of the Company are Mr. Xu Yingchuan (Acting Chairperson), Mr. Li Junjie and Mr. Cong Peifeng; the non-executive Directors of the Company are Mr. Cui Mindong and Mr. Chiu Sin Nang, Kenny; and the independent non-executive Directors of the Company are Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong.*

* *The English names of the PRC entities referred to in this announcement are transliterations from their Chinese names and are for identification purposes only, and should not be regarded as the official English name(s) of such Chinese name(s). If there is any inconsistency, the Chinese name shall prevail.*