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CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

(Stock Code: 1278)

2025 FINAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of China New Town Development Company Limited (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Year**”) together with the comparative figures for the year ended 31 December 2024 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

(Amount expressed in thousands of Renminbi unless otherwise stated)

	<i>Notes</i>	2025	2024
Operating income		<u>416,871</u>	<u>412,194</u>
Revenue	5	388,917	337,369
Other income	6	27,954	74,825
Operating expenses		<u>(298,763)</u>	<u>(311,780)</u>
Cost of sales	8	(80,559)	(56,249)
Selling and administrative expenses	8	(114,320)	(112,713)
Finance costs	9	(94,399)	(94,401)
Other expenses	7	(18,931)	(49,570)
Reversal of impairment losses on financial assets		<u>9,446</u>	<u>1,153</u>

	<i>Notes</i>	2025	2024
Operating profit		118,108	100,414
Share of losses of joint ventures and associates		<u>(8,075)</u>	<u>(31,772)</u>
Profit before tax		110,033	68,642
Income tax	10	<u>(34,325)</u>	<u>(12,768)</u>
Profit for the year		<u>75,708</u>	<u>55,874</u>
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Share of other comprehensive income of associates		(3,902)	2,582
Other comprehensive income for the year, net of tax		<u>(3,902)</u>	<u>2,582</u>
Total comprehensive income for the year, net of tax		<u>71,806</u>	<u>58,456</u>
Profit attributable to:			
Equity holders of the parent		73,295	44,317
Non-controlling interests		<u>2,413</u>	<u>11,557</u>
		<u>75,708</u>	<u>55,874</u>
Total comprehensive income attributable to:			
Equity holders of the parent		69,393	46,899
Non-controlling interests		<u>2,413</u>	<u>11,557</u>
		<u>71,806</u>	<u>58,456</u>
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted profit for the year	12	<u>0.0075</u>	<u>0.0046</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	2025	2024
Assets			
Non-current assets			
Investment in joint ventures		192,989	197,830
Investment in associates		221,909	226,070
Debt instruments at amortised cost	13	199,000	1,436,490
Financial assets at fair value through profit or loss	14	106,836	119,947
Investment property	15	1,465,700	1,465,700
Property, plant and equipment	16	7,147	7,736
Right-of-use assets	17	16,451	18,370
Other assets		2,689	1,479
Total non-current assets		2,212,721	3,473,622
Current assets			
Land development for sale	18	781,215	781,066
Prepayments		1,610	2,581
Other receivables	19	654,454	610,644
Trade receivables	20	38,152	45,629
Debt instruments at amortised cost	13	3,340,757	1,879,280
Other assets		8,205	6,369
Financial assets at fair value through profit or loss	14	31,981	51,097
Cash and bank balances	21	2,196,275	1,045,466
Total current assets		7,052,649	4,422,132
Total assets		9,265,370	7,895,754
Equity and liabilities			
Equity			
Attributable to:			
Equity holders of the parent:			
Share capital		4,070,201	4,070,201
Accumulated losses		(459,733)	(484,202)
Foreign currency translation reserve		8,484	12,386
Other reserves		607,839	607,839
		4,226,791	4,206,224
Non-controlling interests		494,599	492,186
Total equity		4,721,390	4,698,410

	<i>Notes</i>	2025	2024
Non-current liabilities			
Interest-bearing loans and borrowings	22	2,145,178	2,192,759
Other liabilities		5,746	5,900
Deferred tax liabilities	10	158,350	147,149
Total non-current liabilities		<u>2,309,274</u>	<u>2,345,808</u>
Current liabilities			
Interest-bearing loans and borrowings	22	1,611,304	108,088
Trade payables	24	92,378	86,762
Other payables and accruals	25	205,558	262,153
Advance from customers		26,290	30,267
Current income tax liabilities		20,533	23,215
Contract liabilities	26	278,643	341,051
Total current liabilities		<u>2,234,706</u>	<u>851,536</u>
Total liabilities		<u>4,543,980</u>	<u>3,197,344</u>
Total equity and liabilities		<u>9,265,370</u>	<u>7,895,754</u>
Net current assets		<u>4,817,943</u>	<u>3,570,596</u>
Total assets less current liabilities		<u>7,030,664</u>	<u>7,044,218</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Attributable to equity holders of the parent						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
As at 1 January 2024	4,070,201	607,839	9,804	(498,349)	4,189,495	480,629	4,670,124
Profit for the year	—	—	—	44,317	44,317	11,557	55,874
Other comprehensive income	—	—	2,582	—	2,582	—	2,582
Total comprehensive income	—	—	2,582	44,317	46,899	11,557	58,456
Dividends	—	—	—	(30,170)	(30,170)	—	(30,170)
As at 31 December 2024	4,070,201	607,839	12,386	(484,202)	4,206,224	492,186	4,698,410
Profit for the year	—	—	—	73,295	73,295	2,413	75,708
Other comprehensive income	—	—	(3,902)	—	(3,902)	—	(3,902)
Total comprehensive income	—	—	(3,902)	73,295	69,393	2,413	71,806
Dividends	—	—	—	(48,826)	(48,826)	—	(48,826)
As at 31 December 2025	4,070,201	607,839	8,484	(459,733)	4,226,791	494,599	4,721,390

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	2025	2024
Cash flow from operating activities			
Profit before tax		110,033	68,642
Adjustments for:			
Reversal of impairment losses on financial assets		(9,446)	(1,153)
Depreciation of property, plant and equipment	8	1,228	1,173
Depreciation of right-of-use assets	8	10,622	11,629
Amortisation of intangible assets		163	156
Net fair value loss on an investment property	7	—	19,631
Gain on investment income from financial assets at fair value through profit or loss	6	(1,161)	(25,497)
Fair value change on financial instruments at fair value through profit or loss	7	16,875	28,334
Share of losses of joint ventures and associates		8,075	31,772
Interest from debt instruments at amortised cost and dividend income from other investment		(231,406)	(184,996)
Interest income from bank deposits	6	(11,462)	(27,074)
Interest expense on lease liabilities	9	337	648
Interest expense on loans and borrowings	9	94,062	93,753
Foreign exchange loss/(gain)	6/7	705	(823)
Gain on disposal of property, plant and equipment	6	(338)	(11)
		(11,713)	16,184
Increase in land development for sale		(149)	(529)
Decrease/(increase) in prepayments		971	(310)
(Increase)/decrease in other receivables and other assets		(29,962)	22,439
Decrease in trade receivables		7,571	12,219
Decrease in advances from customers		(3,977)	(8,519)
Decrease in contract liabilities		(62,408)	(41,438)
(Decrease)/increase in trade and other payables		(51,751)	58,186
		(151,418)	58,232
Income tax paid		(25,806)	(28,348)
Net cash (outflow)/inflow from operating activities		(177,224)	29,884

	<i>Notes</i>	2025	2024
Cash flows from investing activities			
Purchases of property, plant and equipment		(642)	(483)
Proceeds from disposal of property, plant and equipment		9	24
Investments in joint ventures and associates		(2,975)	(34,570)
Capital expenditure on an investment property		(1,518)	(1,669)
Investments in debt instruments at amortised cost		(2,806,366)	(2,546,409)
Proceeds from recovery of debt instruments at amortised cost		2,592,000	2,026,070
Interest received from debt instruments at amortised cost and other investment		217,821	171,535
Proceeds from redemption of financial assets at fair value through profit or loss		16,513	61,840
Interest received from bank deposits		9,094	27,074
Payments for intangible assets		—	(166)
Net cash inflow/(outflow) from investing activities		<u>23,936</u>	<u>(296,754)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		1,495,214	643,004
Repayment of loans and borrowings		(55,169)	(656,587)
Payment of lease liabilities	23	(5,713)	(12,317)
Dividends paid		(48,590)	(30,059)
Interest paid		(81,471)	(86,915)
Net cash inflow/(outflow) from financing activities		<u>1,304,271</u>	<u>(142,874)</u>
Net increase/(decrease) in cash and cash equivalents		1,150,983	(409,744)
Effect of exchange rate changes on cash and cash equivalents		(174)	850
Cash and cash equivalents at beginning of year		<u>1,045,466</u>	<u>1,454,360</u>
Cash and cash equivalents at end of year		<u>2,196,275</u>	<u>1,045,466</u>

NOTES TO FINANCIAL STATEMENTS

(All amounts expressed in thousands of Renminbi unless otherwise stated)

1. CORPORATE INFORMATION

The Company was incorporated on 4 January 2006 in the British Virgin Islands (the “**BVI**”). After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). On 22 October 2010, the Company was listed on the Main Board of the HKEx by way of introduction. As a result, the Company was once dual-listed on the Main Boards of both the SGX-ST and the HKEx. The Company was voluntarily delisted from the SGX-ST on 17 February 2017.

On 10 October 2013, the Company, China Development Bank International Holdings Limited (“**CDBIH**”) and SRE Investment Holding Limited (“**SREI**”) entered into a share subscription agreement, pursuant to which CDBIH agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the “**Subscription**”). The Subscription was completed in the first quarter of 2014. As a result, upon completion, CDBIH, a wholly-owned subsidiary of China Development Bank Capital Corporation Limited (“**CDB Capital**”), became the largest shareholder of the Company.

On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% of the issued shares of the Company with Wuxi Communications Industry Group Co., Ltd. (“**Wuxi Communications**”) and Xitong International Holdings (HK) Limited (“**Xitong International**”), a wholly-owned subsidiary of Wuxi Communications, pursuant to which CDBIH agreed to transfer 2,917,000,000 shares of the Company held by it to Xitong International, representing approximately 29.99% of the issued shares of the Company (the “**Share Transfer**”). Upon completion of the Share Transfer on 28 September 2021, Xitong International holds 2,917,000,000 shares (approximately 29.99% of the issued shares) of the Company as the largest shareholder; and CDBIH holds 2,430,921,071 shares (approximately 24.99% of the issued shares) of the Company as the second largest shareholder.

The Group’s current operating revenue is primarily derived from fixed-income investments, property leasing and operations, as well as income from certain historical urbanization projects. The Group is exploring opportunities to expand its equity investment business in new economic sectors such as integrated circuits, new materials, new energy, environmental protection, and high-end manufacturing, with a view to establish new revenue streams and business growth curves.

2. BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and financial assets at fair value through profit or loss which have been measured at fair value. The consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (’000) except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee
- (c) The ability to use its power over the investee to affect its returns

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the parent/Company and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRS Accounting Standards.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The Group has adopted the following amendments to International Accounting Standard ("IAS") 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 21 — Lack of Exchangeability

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Chinese Mainland.

- Urbanization investment segment, which is responsible for fixed-income projects related to new-type urbanisation;
- Property leasing segment, which provides property leasing services of investment property;
- Building construction segment, which provides construction of ancillary public facilities; and
- Others segment, which includes the provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

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

An analysis by operating segment is as follows:

<i>RMB'000</i>	Year ended 31 December 2025					Total
	Urbanization investment	Property leasing	Building construction	Others	Reconciliation and eliminations	
Segment results						
External sales	231,406	100,336	57,175	—	—	388,917
Intersegment sales	—	—	—	—	—	—
Total segment sales	<u>231,406</u>	<u>100,336</u>	<u>57,175</u>	<u>—</u>	<u>—</u>	<u>388,917</u>
Results						
Depreciation	(10,499)	(62)	(3)	(1,286)	—	(11,850)
Share of losses of joint ventures and associates	—	(3,674)	(1,167)	(3,234)	—	(8,075)
Fair value loss on financial instruments at fair value through profit or loss	(16,875)	—	—	—	—	(16,875)
Segment profit/(loss)	<u>161,061</u>	<u>20,011</u>	<u>(3,060)</u>	<u>26,420</u>	<u>(94,399)¹</u>	<u>110,033</u>
Segment assets	<u>6,134,725</u>	<u>1,633,282</u>	<u>163,169</u>	<u>1,334,194</u>	<u>—</u>	<u>9,265,370</u>
Segment liabilities	<u>68,183</u>	<u>55,078</u>	<u>196,870</u>	<u>288,484</u>	<u>3,935,365²</u>	<u>4,543,980</u>
Other disclosures						
Investments in joint ventures and associates	—	136,678	55,832	222,388	—	414,898
Capital expenditure ³	<u>627</u>	<u>15</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>642</u>
Interest income	<u>231,199</u>	<u>312</u>	<u>28</u>	<u>11,329</u>	<u>—</u>	<u>242,868</u>

^{1.} Profit/(loss) for each operating segment does not include finance costs of RMB94,399 thousand.

^{2.} Liabilities in segments do not include current income tax liabilities of RMB20,533 thousand, interest-bearing loans and borrowings of RMB3,756,482 thousand, and deferred tax liabilities of RMB158,350 thousand as these liabilities are managed on a group basis.

^{3.} Capital expenditure consists of additions of property, plant and equipment of RMB642 thousand.

RMB'000

Year ended 31 December 2024 (restated)

	Urbanization investment	Property leasing	Building construction	Others	Reconciliation and eliminations	Total
Segment results						
External sales	184,996	133,454	18,919	—	—	337,369
Intersegment sales	—	—	—	—	—	—
Total segment sales	<u>184,996</u>	<u>133,454</u>	<u>18,919</u>	<u>—</u>	<u>—</u>	<u>337,369</u>
Results						
Depreciation	(10,963)	(132)	(3)	(1,704)	—	(12,802)
Share of losses of joint ventures and associates	—	(9,668)	(18,581)	(3,523)	—	(31,772)
Fair value loss on investment property	—	(19,631)	—	—	—	(19,631)
Fair value loss on financial instruments at fair value through profit or loss	(28,334)	—	—	—	—	(28,334)
Segment profit/(loss)	<u>81,785</u>	<u>73,981</u>	<u>5,956</u>	<u>1,321</u>	<u>(94,401)¹</u>	<u>68,642</u>
Segment assets	<u>4,677,230</u>	<u>1,662,532</u>	<u>181,029</u>	<u>1,374,963</u>	<u>—</u>	<u>7,895,754</u>
Segment liabilities	<u>122,726</u>	<u>66,089</u>	<u>254,542</u>	<u>282,776</u>	<u>2,471,211²</u>	<u>3,197,344</u>
Other disclosures						
Investments in joint ventures and associates	<u>—</u>	<u>140,351</u>	<u>56,999</u>	<u>226,550</u>	<u>—</u>	<u>423,900</u>
Capital expenditure ³	<u>453</u>	<u>(350)</u>	<u>11</u>	<u>—</u>	<u>—</u>	<u>114</u>
Interest income	<u>203,185</u>	<u>406</u>	<u>20</u>	<u>8,459</u>	<u>—</u>	<u>212,070</u>

^{1.} Profit/(loss) for each operating segment does not include finance costs of RMB94,401 thousand.

^{2.} Liabilities in segments do not include current income tax liabilities of RMB23,215 thousand, interest-bearing loans and borrowings of RMB2,300,847 thousand, and deferred tax liabilities of RMB147,149 thousand as these liabilities are managed on a group basis.

^{3.} Capital expenditure consists of additions of property, plant and equipment of RMB483 thousand and cost adjustment of investment property of RMB369 thousand.

5. REVENUE

<i>RMB'000</i>	<i>Notes</i>	2025	2024
Building construction	(a)	57,175	18,919
Property management	(a)	24,400	32,306
Revenue from contracts with customers	(a)	81,575	51,225
Rental income		75,936	101,148
Interest from debt instruments at amortised cost	(b)	231,406	183,600
Others	(c)	—	1,396
Revenue from other sources		307,342	286,144
Total revenue		388,917	337,369

(a) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended 31 December 2025		
	Building construction	Property management	Total
Segments			
Types of goods or services			
Building construction	57,175	—	57,175
Property management	—	24,400	24,400
Total revenue from contracts with customers	57,175	24,400	81,575
Timing of revenue recognition			
Services rendered over time	57,175	24,400	81,575

	Year ended 31 December 2024		
	Building construction	Property management	Total
Segments			
Types of goods or services			
Building construction	18,919	—	18,919
Property management	—	32,306	32,306
Total revenue from contracts with customers	18,919	32,306	51,225
Timing of revenue recognition			
Services rendered over time	18,919	32,306	51,225

The Group's total revenue from contracts with customers is all derived from Chinese Mainland.

Building construction

Shanghai Golden Luodian Development Co., Ltd. (“SGLD”) is given the right to carry out construction and preparation works in respect of the ancillary public facilities (owned by the local governments) in the Eastern and Western Zone of Luodian New Town.

Revenue of RMB57.18 million (2024: RMB18.92 million) was recognised in respect of construction of the ancillary public facilities with the fulfilment of the performance obligation in 2025, of which RMB57.18 million (2024: RMB18.92 million) was released from contract liabilities.

Property management services

The performance obligation is satisfied over time as property management services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are billed based on the time incurred. The amount of revenue recognised in the current year that was included in the contract liabilities at the beginning of 2025 was RMB2,956 thousand (2024: RMB5,475 thousand).

For property management services, the Group has a right to consideration from customers in an amount that corresponds directly with the value to customers of the Group's performance completed to date.

(b) The detailed information of revenue from interest and similar income is as follows:

<i>RMB'000</i>	2025	2024
Interest income		
Wuxi Gaoxin District Industrial Park Project	28,695	28,774
Yangzhou Hanjiang Industry Upgrading Project	27,551	—
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	27,547	906
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	23,501	5,988
Zhuji Pingfengwu Ecological Cemetery Project	19,419	16,330
Taizhou Xinghua Urban Renewal Project	13,417	542
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	11,478	11,509
Liyang Economic Development Zone Aerodynamics Research Institute Project	11,201	—
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	10,038	528
Taizhou Jinjiang Chengbei Park Project	8,585	—
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	6,951	21
Yancheng Economic Development Zone Industrial Park Phase I Fixed-income Project	5,039	—
Taizhou Xinghua Economic Development Zone Industrial Park Upgrading Fixed-income Project	4,885	—
Wuxi Huishan IDTI Oral Innovation Medical Device Center Fixed-income Project	4,803	—
Yancheng Water Purification Group Fixed-income Project	4,540	—
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	4,429	11,106
Wenzhou Lucheng District Fixed-income Project	4,161	—
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	2,354	17,259
Jingjiang Furuite Aluminum New Material Project	140	1,642
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	—	29,823
Yangzhou Hanjiang Industrial Park Infrastructure Project	—	21,904
Wuxi Liangxi District Food Science and Technology Innovation Center Project	—	15,173
Yangzhou Jiangdu People's Hospital New Project	—	5,998
Wuxi Guojin Commercial Factoring Fixed-income Phase II Project	—	4,890
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	—	4,677
Others	12,672	6,530
	<u>231,406</u>	<u>183,600</u>

(c) The detailed information of others is as follows:

	2025	2024
CDB (Beijing) — BOCOMM New-Type Urbanization Development Fund	<u>—</u>	<u>1,396</u>
6. OTHER INCOME		
<i>RMB'000</i>	2025	2024
Interest income from bank deposits	11,462	27,074
Investment income from financial assets at fair value through profit or loss	1,161	25,497
Foreign exchange gain, net	—	823
Gain on disposal of property, plant and equipment	338	11
Others	<u>14,993</u>	<u>21,420</u>
	<u>27,954</u>	<u>74,825</u>
7. OTHER EXPENSES		
<i>RMB'000</i>	2025	2024
Net fair value loss on financial instruments at fair value through profit or loss	16,875	28,334
Fair value loss on investment property	—	19,631
Bank charges	299	1,387
Foreign exchange loss, net	705	—
Others	<u>1,052</u>	<u>218</u>
	<u>18,931</u>	<u>49,570</u>

8. EXPENSE BY NATURE

<i>RMB'000</i>	2025	2024
Cost of building construction	53,565	18,979
Depreciation of property, plant and equipment	1,228	1,173
Depreciation of right-of-use assets	10,622	11,629
Audit fees and non-audit fees	4,486	3,353
<i>Audit fees</i>		
— Auditor of the Company	2,040	2,700
— Other auditors	514	440
<i>Non-audit fees</i>		
— Auditor of the Company	370	—
— Other auditors	1,562	213
Employee benefits	59,958	55,641
Utility expenses	10,913	13,147
Advertising	1,149	680
Rental expenses	1,175	1,166
Property management service expenses	25,076	28,414
Intermediary and professional service charges	9,034	4,925
Other expenses	17,673	29,855
	<u>194,879</u>	<u>168,962</u>
Total cost of sales, selling and administrative expenses	<u>194,879</u>	<u>168,962</u>

9. FINANCE COSTS

<i>RMB'000</i>	2025	2024
Interest on loans and borrowings	94,062	93,753
Interest on lease liabilities	337	648
	<u>94,399</u>	<u>94,401</u>

No borrowing cost has been capitalised for the year ended 31 December 2025 (2024: Nil).

10. INCOME TAX AND DEFERRED TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the BVI.

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

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the People's Republic of China (the "PRC").

Chinese Mainland — withholding tax

Pursuant to the laws governing the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008.

Pursuant to the laws governing the PRC Corporate Income Tax, a member of the Group, who is not a tax resident in the jurisdiction of the PRC, is subject to withholding tax at 10% on the income from Chinese Mainland, such as interest income and gains from disposal of equity investments. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group determined that such withholding tax is an income tax in the scope of IAS 12 and has recognised such withholding tax as a tax expense in profit or loss.

The major components of income tax are as follows:

<i>RMB'000</i>	2025	2024
Income tax charge/(credit):		
Current income tax	4,804	(4,402)
Deferred tax	11,201	1,892
Withholding tax	18,320	15,278
	<hr/>	<hr/>
Income tax charge as reported in profit or loss	34,325	12,768
	<hr/> <hr/>	<hr/> <hr/>

A reconciliation between tax charge/(credit) in respect of the current year and the product of accounting profit/(loss) multiplied by the Group's applicable income tax rate is as follows:

Year ended 31 December 2025

<i>RMB'000</i>	Hong Kong ("HK") and BVI		Chinese Mainland		Total	
Profit before tax	<u>110,517</u>		<u>(484)</u>		<u>110,033</u>	
Tax at the PRC statutory tax rate	27,629	25.0%	(121)	25.0%	27,508	25.0%
Effect of subsidiaries applying the non-statutory tax rate	2,981	2.7%	—	—	2,981	2.7%
Income not subject to tax	(34,119)	(30.9%)	—	—	(34,119)	(31.0%)
Profit and losses attributable to joint ventures and associates	(36)	—	2,073	(428.0%)	2,037	1.9%
Non-deductible expenses for tax purposes	3,525	3.2%	548	(113.1%)	4,073	3.7%
Adjustments in respect of current tax of previous periods	—	—	4,174	(861.6%)	4,174	3.8%
Utilisation/adjustment of previously unrecognised tax losses	—	—	(3,040)	627.7%	(3,040)	(2.8%)
Unrecognised tax losses and deductible temporary differences	—	—	12,391	(2,558.2%)	12,391	11.3%
Effect of withholding tax*	<u>18,320</u>	<u>16.6%</u>	<u>—</u>	<u>—</u>	<u>18,320</u>	<u>16.6%</u>
Income tax as reported in the statement of profit or loss and other comprehensive income	<u>18,300</u>	<u>16.6%</u>	<u>16,025</u>	<u>(3,308.2%)</u>	<u>34,325</u>	<u>31.2%</u>

Year ended 31 December 2024

<i>RMB'000</i>	HK and BVI		Chinese Mainland		Total	
Profit before tax	<u>61,650</u>		<u>6,992</u>		<u>68,642</u>	
Tax at the statutory tax rate	15,413	25.0%	1,748	25.0%	17,161	25.0%
Effect of subsidiaries applying the non-statutory tax rate	6,814	11.0%	—	—	6,814	9.9%
Income not subject to tax	(33,904)	(55.0%)	(609)	(8.7%)	(34,513)	(50.3%)
Profit and losses attributable to joint ventures and associates	93	0.2%	7,802	111.6%	7,895	11.5%
Non-deductible expenses for tax purposes	6,095	9.9%	4,634	66.3%	10,729	15.6%
Adjustments in respect of current tax of previous periods	—	—	(18,496)	(264.5%)	(18,496)	(26.9%)
Utilisation/adjustment of previously unrecognised tax losses	—	—	(4,354)	(62.3%)	(4,354)	(6.3%)
Unrecognised tax losses and deductible temporary differences	—	—	12,254	175.2%	12,254	17.9%
Effect of withholding tax*	<u>15,278</u>	<u>24.8%</u>	<u>—</u>	<u>—</u>	<u>15,278</u>	<u>22.3%</u>
Income tax as reported in the statement of profit or loss and other comprehensive income	<u>9,789</u>	<u>15.9%</u>	<u>2,979</u>	<u>42.6%</u>	<u>12,768</u>	<u>18.7%</u>

* In 2025, the HK and BVI companies received interest and dividend income from Chinese Mainland amounting to RMB183,200 thousand (2024: RMB125,640 thousand), after the deduction of the withholding tax of RMB18,320 thousand (2024: RMB15,278 thousand).

** All percentages represent the ratio of the relevant item to the profit before tax for the respective jurisdiction.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority and the same taxable entity.

Deferred income tax relates to the following:

<i>RMB'000</i>	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2025	2024	2025	2024
Deferred tax assets/(liabilities)				
Fair value change and depreciation of investment property	(88,509)	(81,180)	(7,329)	373
Fair value change of financial instruments at fair value through profit or loss	(5,501)	(6,014)	513	2,456
Accrued expenses	—	133	(133)	12
Taxable timing difference for interest accrued	(31,208)	(27,402)	(3,806)	(5,415)
Provision for expected credit losses (“ECLs”)	181	225	(44)	(832)
Right-of-use assets	(3,269)	(3,411)	142	(9,022)
Lease liabilities	3,399	2,413	986	9,006
Effect of withholding tax at 10% on the distributable profits of the Group’s subsidiaries in Chinese Mainland	(33,443)	(33,443)	—	—
Loss available for offsetting against future taxable profits	—	1,530	(1,530)	1,530
Net deferred tax liabilities	(158,350)	(147,149)		
Deferred income tax charge			(11,201)	(1,892)
Deferred tax movements:				
			2025	2024
As at 1 January			(147,149)	(145,257)
Deferred tax income recognised in profit or loss			(11,201)	(1,892)
As at 31 December			(158,350)	(147,149)
Deferred tax assets			—	—
Deferred tax liabilities			(158,350)	(147,149)

As at 31 December 2025, the unrecognized deductible temporary differences amounting to RMB177,080 thousand (2024: RMB262,337 thousand) and the unrecognized accumulated tax losses amounting to RMB83,134 thousand (2024: RMB136,012 thousand) mainly arose from those subsidiaries that have been loss-making for years. The unrecognized tax losses of RMB83,134 thousand (2024: RMB136,012 thousand) will expire in the coming one to five years. The Group estimated that there was no taxable income to utilise these tax losses and deductible temporary differences and there are no other tax planning opportunities or other evidence of recoverability in the near future.

11. DIVIDENDS

The Board recommends the payment of final dividend of HK\$0.0025 per ordinary share for the year ended 31 December 2025 (2024: HK\$0.0039). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

With the approval of the shareholders at the annual general meeting held on 19 June 2025 and the unaudited interim results announce held on 7 August 2025, the Company has paid the dividend of HK\$53,088 thousand.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 9,726,246,417 (2024: 9,726,246,417) in issue during the year.

The following reflects the earnings and share data used in the basic and diluted earnings per share calculations:

<i>RMB'000</i>	2025	2024
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	<u>73,295</u>	<u>44,317</u>
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share	<u>9,726,246,417</u>	<u>9,726,246,417</u>
Basic and diluted earnings per share (<i>RMB</i>)	<u>0.0075</u>	<u>0.0046</u>

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

13. DEBT INSTRUMENTS AT AMORTISED COST

<i>RMB'000</i>	2025	2024
Investments in debt instruments related to:		
Wuxi Gaoxin District Industrial Park Project	500,000	500,000
Yangzhou Hanjiang Industrial Upgrading Project	490,000	—
Nanchang Science and Technology Park Project of Chinese Academy of Sciences	400,000	400,000
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	400,000	400,000
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	351,000	351,000
Wuxi Huishan IDTI Oral Innovative Medical Device Center Fixed-income Project	300,000	—
Liyang Economic Development Zone Aerodynamics Research Institute Project	200,000	—
Taizhou Xinghua Leisure Food Industrial Park Fixed-income Project	200,000	—
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	200,000	200,000
Yancheng Economic Development Zone Industrial Park Phase I Fixed-income Project	200,000	—
Taizhou Xinghua Economic Development Zone Industrial Park Upgrading Fixed-income Project	200,000	—
Wuxi Huishan State-owned Holding Fixed-income Project	133,866	—
Yangzhou Guangling Food Industrial Park Fixed-income Project	100,000	—
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	—	500,000
Zhuji Pingfengwu Ecological Cemetery Project	—	401,000
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	—	280,000
Taizhou Xinghua Urban Regeneration Project	—	200,000
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	—	150,000
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	—	100,000
Jingjiang Furuite Aluminum New Material Project	—	70,000
Others	<u>199,207</u>	<u>122,707</u>
	3,874,073	3,674,707
Accrued interest	<u>63,371</u>	<u>54,354</u>
	3,937,444	3,729,061
Less: allowance for ECLs	<u>(397,687)</u>	<u>(413,291)</u>
	<u>3,539,757</u>	<u>3,315,770</u>
Amounts due in the next 12 months classified as current assets	<u>3,340,757</u>	<u>1,879,280</u>
Amounts classified as non-current assets	<u>199,000</u>	<u>1,436,490</u>

As at 31 December 2025, the Group was entitled to fixed returns ranging from 6.00% to 10.00% (2024: 5.85% to 10.00%) per annum before tax for debt instruments at amortised cost.

Movements of ECL allowance during the years ended 31 December 2025 and 2024 are as follows:

RMB'000	2025	2024
At beginning of year	413,291	408,001
Credit loss (reversed)/recognised in profit or loss	(15,604)	5,290
At end of year	<u>397,687</u>	<u>413,291</u>

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to debt instruments at amortised cost is as follows:

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
Gross carrying amount as at				
1 January 2025	3,329,061	—	400,000	3,729,061
New debt instruments	2,806,366	—	—	2,806,366
Recovery	(2,661,354)	—	—	(2,661,354)
Accrued interest	63,371	—	—	63,371
Foreign currency exchange	—	—	—	—
At 31 December 2025	<u>3,537,444</u>	<u>—</u>	<u>400,000</u>	<u>3,937,444</u>
Gross carrying amount as at				
1 January 2024	2,800,106	—	400,000	3,200,106
New debt instruments	2,546,409	—	—	2,546,409
Recovery	(2,066,963)	—	—	(2,066,963)
Accrued interest	54,354	—	—	54,354
Foreign currency exchange	(4,845)	—	—	(4,845)
At 31 December 2024	<u>3,329,061</u>	<u>—</u>	<u>400,000</u>	<u>3,729,061</u>

For the debt instruments at amortised cost, the Group applies a general approach in calculating ECLs. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, credit losses expected within the next 12 months are estimated, otherwise, credit losses expected over the remaining life of the exposure are required.

The Group has conducted an assessment of ECLs according to forward-looking information and used appropriate models and a large number of assumptions in its expected measurement of credit loss.

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	33,291	—	380,000	413,291
Provision and remeasurement	9,655	—	—	9,655
Reversal	(25,259)	—	—	(25,259)
At 31 December 2025	<u>17,687</u>	<u>—</u>	<u>380,000</u>	<u>397,687</u>

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	28,001	—	380,000	408,001
Provision and remeasurement	23,564	—	—	23,564
Reversal	(18,274)	—	—	(18,274)
At 31 December 2024	<u>33,291</u>	<u>—</u>	<u>380,000</u>	<u>413,291</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>RMB'000</i>	<i>Notes</i>	2025	2024
— Wealth management products	(a)	11,903	13,071
— Equity instruments	(b)	126,914	157,973
		<u>138,817</u>	<u>171,044</u>
Current portion		<u>31,981</u>	<u>51,097</u>
Non-current portion		<u>106,836</u>	<u>119,947</u>

Notes :

- (a) In 2025, the Group invested in wealth management products mainly issued by China Merchants Bank Co., Ltd (“**China Merchants Bank**”) and Ping An Bank Co., Ltd (“**Ping An Bank**”) as part of cash management for the short term. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(b) The list of equity investments and their fair values are as follows:

	2025	2024
Jiangsu Hong-tu Software Venture Capital Investment Ltd.	38,237	51,348
WeRide Inc.	20,078	38,026
Shenzhen Zhongke Micro-Light Medical Equipment Technology Co., Ltd.	11,638	11,638
Shenzhen Sibionics Co., Ltd.	10,143	10,143
Gongqingcheng Xuhui Guanding Investment Management Partnership (Limited Partnership)	21,818	21,818
Yixing Zengyang Xinzhan Equity Investment Partnership (Limited Partnership)	25,000	25,000
	<u>126,914</u>	<u>157,973</u>

15. INVESTMENT PROPERTY

<i>RMB'000</i>	2025	2024
At beginning of year	1,465,700	1,485,700
Subsequent expenditure and cost adjustment	—	(369)
Loss from change of fair value	—	(19,631)
	<u>1,465,700</u>	<u>1,465,700</u>

16. PROPERTY, PLANT AND EQUIPMENT

<i>RMB'000</i>	Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
Original cost				
At 1 January 2024	19,465	10,542	4,762	34,769
Additions	—	483	—	483
Disposals	—	(63)	(202)	(265)
At 31 December 2024	19,465	10,962	4,560	34,987
Additions	—	642	—	642
Disposals	—	(357)	—	(357)
At 31 December 2025	19,465	11,247	4,560	35,272
Accumulated depreciation				
At 1 January 2024	11,774	9,800	4,756	26,330
Provided during the year	852	321	—	1,173
Disposals	—	(56)	(196)	(252)
At 31 December 2024	12,626	10,065	4,560	27,251
Provided during the year	788	440	—	1,228
Disposals	—	(354)	—	(354)
At 31 December 2025	13,414	10,151	4,560	28,125
Net carrying amount				
At 1 January 2024	7,691	742	6	8,439
At 31 December 2024	6,839	897	—	7,736
At 31 December 2025	6,051	1,096	—	7,147

17. RIGHT-OF-USE ASSETS

<i>RMB'000</i>	Buildings	Motor vehicles	Land	Total
At 1 January 2024	27,666	269	1,452	29,387
Additions	612	—	—	612
Depreciation expense	(11,250)	(222)	(157)	(11,629)
At 31 December 2024	17,028	47	1,295	18,370
Additions	8,703	—	—	8,703
Depreciation expense	(10,418)	(47)	(157)	(10,622)
At 31 December 2025	15,313	—	1,138	16,451

18. LAND DEVELOPMENT FOR SALE

<i>RMB'000</i>	2025	2024
The Chinese Mainland — Shenyang Lixiang New Town Modern Agriculture Co., Ltd (“Shenyang Lixiang”)	<u>781,215</u>	<u>781,066</u>

Land development for sale represents the cost of land development within the districts of the new town development projects. Though the Group does not have an ownership title or land use rights to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities in those new town development projects.

Land development for sale is expected to be realised in the normal operating cycle, which is longer than twelve months.

Impairment charge to state land development for sale at net realisable value

In 2022, the Board determined to dispose of the entire equity interest in Shenyang Lixiang. As at 31 December 2022, the disposal was not completed and the Board assessed the purchaser may not be able to perform its obligations to purchase the entire equity interest in Shenyang Lixiang in accordance with the terms of the agreement in the short term due to the financial position of the purchaser. Though the Company will continue to urge the purchaser to perform its obligations to purchase the equity interest in Shenyang Lixiang and seek for other buyers, the Board expected an impairment is incurred, due to the character of land development, adverse economic environment and real estate market in Shenyang, and fiscal position of local government.

As a result of the aforementioned, the Board assessed the net realisable value of the land development for sale and determined an impairment loss of RMB109 million was incurred and recognised for the year ended 31 December 2022. As at 31 December 2025, the Board reassessed the net realisable value of the land development for sale, with no additional impairment nor reversal of impairment was made.

19. OTHER RECEIVABLES

<i>RMB'000</i>	Notes	2025	2024
Balances due from Wuxi Project		20,977	20,977
Due from SREI	(i)	89,854	89,854
Balances due from entities disposed of		24,384	24,384
Due from joint ventures		549,611	496,416
Due from associates	(ii)	1,029	1,956
Others		<u>53,670</u>	<u>55,876</u>
		739,525	689,463
Less: allowance for ECLs		<u>(85,071)</u>	<u>(78,819)</u>
Other receivables, net		<u>654,454</u>	<u>610,644</u>

The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate of Stage 1 and Stage 2 was estimated to be 1% to 10% (2024: 1% to 9%), and the loss rate of Stage 3 was estimated to be 100% (2024: 100%). The movements in allowance of impairment are as follows:

	2025	2024
At beginning of year	78,819	70,327
Credit loss recognised in profit or loss	<u>6,252</u>	<u>8,492</u>
At end of year	<u><u>85,071</u></u>	<u><u>78,819</u></u>

Notes:

- (i) The balances due from SREI is in relation to the disposal assets in 2017, after a series of settlements made between the Company and SREI. As at 31 December 2025, the balance due from SREI of RMB89,854 thousand (2024: RMB89,854 thousand) is secured by the shares and related rights of the Company owned by SREI, the outstanding balance exceeding the value of the pledge is fully impaired.
- (ii) The balances due from joint ventures are shareholder's loans lent to Nanjing Guofa Real Estate Co., Ltd. and Beijing Guowan Real Estate Co., Ltd. ("**Guowan Real Estate**") to facilitate their daily operations, which are unsecured and interest-free and should be repayable on demand.

20. TRADE RECEIVABLES

<i>RMB'000</i>	2025	2024
Receivables from land development for sale	32,218	32,218
Others	<u>9,891</u>	<u>17,462</u>
	42,109	49,680
Less: allowance for ECLs	<u>(3,957)</u>	<u>(4,051)</u>
Trade receivables, net	<u><u>38,152</u></u>	<u><u>45,629</u></u>

The above balances are unsecured and interest-free. The fair values of the trade receivables as at the end of each reporting period approximate to their carrying amounts. No trade receivables were written off in 2025 (2024: Nil).

The Group applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate was estimated to be ranging from 1% to 100% (2024: ranging from 1% to 100%). The movements in allowance of impairment are as follows:

<i>RMB'000</i>	2025	2024
At beginning of year	4,051	18,986
Reversal of credit loss recognised in profit or loss	<u>(94)</u>	<u>(14,935)</u>
At end of year	<u>3,957</u>	<u>4,051</u>

An ageing analysis of the carrying amount of the trade receivables based on the invoice dates are as follows:

	2025	2024
Within 6 months	6,257	13,715
6 months to 1 year	—	—
1 year to 2 years	—	—
2 years to 3 years	—	19
Over 3 years	<u>31,895</u>	<u>31,895</u>
	<u>38,152</u>	<u>45,629</u>

21. CASH AND BANK BALANCES

<i>RMB'000</i>	2025	2024
Cash at banks	<u>2,196,275</u>	<u>1,045,466</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group's cash at banks are denominated in the following currencies:

RMB equivalent of the following currencies:

<i>RMB'000</i>	2025	2024
RMB	2,188,378	990,222
HKD	1,950	5,577
USD	<u>5,947</u>	<u>49,667</u>
	<u>2,196,275</u>	<u>1,045,466</u>

22. INTEREST-BEARING LOANS AND BORROWINGS

Details of interest-bearing loans and borrowings are as follows:

Current interest-bearing loans and borrowings

<i>RMB'000</i>	2025	2024
Lease liabilities	11,102	11,639
Bank loans — secured	55,761	55,886
Guaranteed bonds	1,540,319	40,563
Bonds payable	4,122	—
	<u>1,611,304</u>	<u>108,088</u>

Non-current interest-bearing loans and borrowings

<i>RMB'000</i>	2025	2024
Lease liabilities	4,801	1,265
Bank loans — secured	493,955	549,124
Bonds payable	1,495,360	—
Guaranteed bonds	—	1,498,194
Other borrowings	151,062	144,176
	<u>2,145,178</u>	<u>2,192,759</u>
	<u>3,756,482</u>	<u>2,300,847</u>

The interest-bearing loans and borrowings are repayable as follows:

<i>RMB'000</i>	2025	2024
Within 6 months	1,549,521	6,047
6 months to 9 months	30,030	27,992
9 months to 12 months	31,753	74,049
Current interest-bearing loans and borrowings	<u>1,611,304</u>	<u>108,088</u>
1 year to 2 years	274,014	56,443
2 years to 5 years	1,708,223	1,899,602
Over 5 years	162,941	236,714
Non-current interest-bearing loans and borrowings	<u>2,145,178</u>	<u>2,192,759</u>
	<u>3,756,482</u>	<u>2,300,847</u>

The Group's interest-bearing loans and borrowings bore interest ranging from 2.95% to 7% per annum for the year ended 31 December 2025 (2024: ranging from 3.88% to 7% per annum).

Bank loans — secured

As at 31 December 2025, bank borrowings of RMB549,716 thousand (2024: RMB605,010 thousand) were secured by the investment property, whose carrying amount as at 31 December 2025 was RMB1.466 billion (2024: RMB1.466 billion).

Guaranteed bonds

As at 20 April 2023, CNTD Success Company Limited (“Success”), a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of guaranteed bonds with a maturity date of 27 April 2026. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,496 million, which will be used for project construction and supplement of the Company’s working capital in accordance with applicable laws and regulations. The guaranteed bonds bear interest at a coupon rate of 3.98% and are guaranteed by Wuxi Communications.

Bonds payable

As at 27 November 2025, Success, a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of bonds with a maturity date of 27 November 2028. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,495 million, which will be used for refinancing the existing offshore debt. The bonds bear interest at a coupon rate of 2.95%.

23. LEASE LIABILITIES

<i>RMB'000</i>	2025	2024
At 1 January	12,904	23,961
New leases	8,375	612
Interest expense	337	648
Payments	(5,713)	(12,317)
At end of year	<u>15,903</u>	<u>12,904</u>
Current	11,102	11,639
Non-current	4,801	1,265

24. TRADE PAYABLES

<i>RMB'000</i>	2025	2024
Payable for land development for sale	58,946	58,946
Payable for building construction	33,432	27,816
	<u>92,378</u>	<u>86,762</u>

An ageing analysis of the Group's trade payables is as follows:

<i>RMB'000</i>	2025	2024
Within 1 year	6,793	1,177
1 to 2 years	—	—
Over 2 years	85,585	85,585
	92,378	86,762

Trade payables are non-interest-bearing.

25. OTHER PAYABLES AND ACCRUALS

<i>RMB'000</i>	2025	2024
Payroll and welfare	16,487	11,269
Other taxes payable	21,873	21,436
Amounts due to related parties	20,743	20,469
Payable for intermediary and professional service charges	6,611	9,809
Dividend payables	587	359
Payable for investment property	5,448	5,767
Deposits	27,816	102,304
Others	105,993	90,740
	205,558	262,153

Terms and conditions of the above liabilities are as follows:

- Payroll and welfare are normally settled within the next month.
- Other payables, tax payables and accruals are non-interest-bearing and are normally settled when they are due or within one year.

26. CONTRACT LIABILITIES

<i>RMB'000</i>	2025	2024
Contract liabilities arising from:		
Building construction	154,772	216,948
Land development for sale	121,147	121,147
Property management	2,724	2,956
	278,643	341,051

As at 31 December 2025, the contract liabilities arising from land development for sale and building construction represent the amounts received or receivable from the land authorities or local governments to fulfil the performance obligation of land development and building construction services. The amounts received or receivable are non-refundable unless the Group fails to complete the development and construction work. The contract liabilities are classified as current liabilities as the remaining development and construction work is expected to be provided within the normal operating cycle.

27. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of the financial instrument. For financial instruments where there is no active market or when current market prices are not available, their fair values are determined using valuation techniques.

The Group's financial assets mainly include debt instruments at amortised cost, cash and bank balances, financial assets at fair value through profit or loss, trade receivables and other receivables. The Group's financial liabilities mainly include interest-bearing loans and borrowings, and trade and other payables. The fair values of the Group's and the Company's financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2025:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2025	138,817	20,078	11,903	106,836
Investment property (Note 15)	31 December 2025	1,465,700	—	—	1,465,700

There were no transfers between Level 2 and Level 3 fair value measurements during the year ended 31 December 2025. Financial assets measured at fair value through profit or loss were transferred from Level 2 to Level 1 during the year ended 31 December 2025. The amount of these assets was RMB38,026 thousand as of 31 December 2024, and RMB20,078 thousand as of 31 December 2025. As WeRide Inc. restricted trading period ended in 2025, its fair value can be measured through unadjusted quotations in an active market.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2024:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2024	171,044	—	51,097	119,947
Investment property (Note 15)	31 December 2024	1,465,700	—	—	1,465,700

There were no transfers of fair value measurement between Level 1 and Level 2 during the year ended 31 December 2024. Financial assets at fair value through profit or loss of shares in WeRide Inc. were transferred out of Level 3 to Level 2 during the year ended 31 December 2024, whose amount was RMB43,872 thousand as at 31 December 2023 and RMB38,026 thousand as at 31 December 2024. Since WeRide Inc. had been listed in 2024 and had a restricted trading period, the fair value could be measured by significant observable inputs.

Assets and liabilities in Level 2

Valuation techniques used to derive Level 2 fair values are as follows:

Level 2 financial assets at fair value through profit or loss comprise wealth management products. For wealth management products, fair value was determined by the quoted price of the net asset value by financial institutions as at the end of the reporting period.

Assets and liabilities in Level 3

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 December 2025 and 2024 are shown below:

	Valuation technique	Significant unobservable inputs	31 December 2025	31 December 2024
Office	Income approach	Net yield	5.25%	5.5%
		Estimated rental value (per square metre and per month)	84	83
		Long term vacancy rate	16–25%	19–28%
Retail	Income approach	Net yield	5.25%	5.5%
		Estimated rental value (per square metre and per month)	99–134	163
		Long term vacancy rate	16–31%	25%
Car park	Income approach	Net yield	5.25%	5.5%
		Estimated rental value (per square metre and per month)	390	390
		Long term vacancy rate	30%	30%
Non-listed equity investments	Discounted cashflow approach	Discount rate	Not applicable	6.5%
	Market valuation approach	Discounts for lack of marketability	37.3%	25.6%

Sensitivity analysis of the significant unobservable inputs to fair value:

The higher net yield used in the fair value measurement of office, the retail and the car park spaces, the lower the fair value;

The higher the estimated rental value used in the fair value measurement of office, the retail and the car park spaces, the higher the fair value;

The higher the long term vacancy rate used in the fair value measurement of office and the retail spaces, the lower the fair value;

The higher net yield used in the fair value measurement of non-listed equity investments, the lower the fair value;

The higher the discounts for lack of marketability used in the fair value measurement of non-listed equity investments, the lower the fair value.

The movements of financial assets at fair value through profit or loss in fair value measurements within Level 3 during the year are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
At beginning of year	119,947	165,348
Total losses recognised in profit or loss	(2,000)	(1,529)
Transfer to level 2	—	(43,872)
Disposals	(11,111)	—
At end of year	<u>106,836</u>	<u>119,947</u>

28. SUBSEQUENT EVENT

As of 20 March 2026, there was no significant event occurred after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

- a) Fair review of development of business of the Group during the financial year and of their financial position at the end of the year:

Operating Results

Revenue

During the year ended 31 December 2025 (the “**Year 2025**”), the Group recorded revenue of RMB388.9 million, representing a 15.3% increase compared to the same period of last year. By business segment, for the Year 2025, urbanization investment revenue and other income increased by 25% on a combined basis to RMB231.0 million, mainly attributable to an increase in the investment balance of urbanization projects compared to the same period of last year, which led to higher project investment income. For the Year 2025, the property leasing segment recorded revenue of RMB100.0 million, comprising property lease income of RMB76.0 million and property management fee income of RMB24.0 million, representing a decrease of RMB33.0 million over the last year, mainly due to a decline in occupancy rates. Revenue from building construction amounted to RMB57,175 thousand, representing an increase of 202% over the same period of last year, mainly due to the rapid construction progress of two school projects in the eastern part of SGLD, which resulted in an increase in building construction revenue carried forward.

Other income

For Year 2025, other income amounted to RMB27,954 thousand, representing a decrease of 62.6% compared to the same period of Year 2024. It was mainly because the interest income from bank deposits decreased by RMB15,612 thousand compared to the same period of Year 2024; net fair value gain on financial instruments at fair value through profit or loss decreased by RMB24,336 thousand compared to the same period of Year 2024; and net foreign exchange gain decreased by RMB823 thousand.

Cost of sales, selling and administrative expenses

For Year 2025, costs and expenses increased by RMB25,917 thousand compared to the same period in Year 2024. This was primarily attributable to an increase of RMB34,586 thousand in building construction costs carried forward for the two school projects in the eastern part of SGLD. Meanwhile, property management service fees decreased by RMB3,338 thousand, energy costs decreased by RMB2,234 thousand, and depreciation of right-of-use assets decreased by RMB1,007 thousand.

Other expenses

For Year 2025, other expenses amounted to RMB18,931 thousand, representing a decrease of 61.8% compared to the same period of Year 2024, mainly due to a decrease in bank charges of RMB1,088 thousand compared to the same period in Year 2024; a decrease in net fair value loss on financial instruments at fair value through profit or loss of RMB11,459 thousand compared to the same period in Year 2024; a decrease in loss from fair value changes of investment properties of RMB19,631 thousand compared to the same period in Year 2024; and an increase in other project costs of RMB834 thousand compared to the same period in Year 2024.

Reversal of impairment losses on financial assets

For Year 2025, the Group recorded a reversal of impairment losses on financial assets of RMB9,446 thousand, which was mainly due to the adjustment of the ECLs provision rate from 1% to 0.5% based on the risk profile of the investment projects. A reversal of impairment losses on financial assets of RMB1,153 thousand was recorded for Year 2024.

Finance costs

For Year 2025, total net finance costs amounted to RMB94,399 thousand, remaining largely unchanged from the same period of Year 2024, mainly due to an increase in interest expenses of RMB309 thousand for the bonds payable and a decrease of RMB311 thousand in interest on lease liabilities. No interest capitalisation was accrued for Years 2025 and 2024.

Share of losses from joint ventures and associates

For the Year 2025, the Group's share of losses from joint ventures and associates was RMB8,075 thousand, including a share of loss of RMB3,674 thousand from Nanjing Guoying Zhongxi Development Company Limited ("**Nanjing Guoying**"), a share of loss of RMB3,489 thousand from Meidi Elderly Care Service (Shanghai) Co., Ltd.* (美邸養老服務(上海)有限公司) and a share of loss of RMB2,010 thousand from Kaiyuan Education Fund LP ("**Kaiyuan Fund**"). As most of the other joint ventures and associates were under construction, no stable income was derived at this stage.

Taxation

For the Year 2025, the Group recorded income tax expense of RMB34,325 thousand, such income tax was mainly attributable to (i) current income tax expense of RMB4,804 thousand; (ii) deferred income tax expense of RMB11,201 thousand; and (iii) withholding tax of RMB18,320 thousand.

Financial Position

Investment in joint ventures

The balance as at 31 December 2025 decreased by RMB4,841 thousand from that at the end of Year 2024, mainly due to the share of losses of RMB4,841 thousand from joint ventures.

Investment in associates

The balance as at 31 December 2025 decreased by RMB4,161 thousand from that at the end of Year 2024, mainly due to the new capital contribution of RMB2,975 thousand to Kaiyuan Fund, the increase in the share of loss of RMB3,234 thousand from associates and the decrease in share of other comprehensive income arising from associates of RMB3,902 thousand due to foreign currency translation.

Debt instruments at amortised cost (non-current assets)

The balance of debt instruments at amortised cost (non-current assets) for Year 2025 amounted to RMB199.0 million, representing a decrease of RMB1,237.5 million from that at the end of Year 2024. Such decreases were mainly due to (i) the reclassification of Wuxi High-tech Zone Industrial Park Project (無錫高新區產業園項目) of RMB500.0 million, Liyang High-tech District Intelligent Internet Vehicle Test Center Project (溧陽高新區智慧網聯汽車測試場項目) of RMB400.0 million, Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project (無錫梁溪區醫藥流通供應鏈產業項目) of RMB351.0 million and Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project (無錫市新吳區運河文化科技產業園建設項目) of RMB200.0 million from non-current assets to current assets; and (ii) the additions of Taizhou Xinghua Leisure Food Industrial Park Fixed-income Project (泰州興化休閒食品產業園固定收益項目) of RMB200.0 million.

Financial assets at fair value through profit or loss (non-current assets)

The balance as at 31 December 2025 amounted to RMB107 million, representing a decrease of RMB13,111 thousand from that at the end of Year 2024. It was mainly due to the capital reduction of RMB11,111 thousand in the Jiangsu Hongruan Project in 2025, and a decrease in fair value of RMB2,000 thousand.

Right-of-use assets

The balance as at 31 December 2025 decreased by RMB1,919 thousand from that at the end of Year 2024, which was mainly due to the depreciation in right-of-use assets of RMB10,622 thousand and the increase in right-of-use assets of RMB8,703 thousand in Year 2025.

Other receivables

The balance as at 31 December 2025 increased by RMB43,810 thousand over that at the end of Year 2024. This was mainly due to the increase in amounts due from the joint venture, Guowan Real Estate.

Trade receivables

The balance as at 31 December 2025 decreased by RMB7,477 thousand from that at the end of Year 2024, which was mainly due to a decrease of rental receivables of Wuhan Chuguang Industry New Development Co. Ltd.

Debt instruments at amortised cost (current assets)

As at 31 December 2025, the balance amounted to RMB3.341 billion, representing an increase of RMB1.462 billion compared to the balance as at the end of 2024. This was primarily due to the repayment upon maturity of debt instruments amounting to RMB1.701 billion; the addition of new fixed-income projects, including the Yangzhou Hanjiang Industry Upgrading Project of RMB490 million, the Wuxi Huishan IDTI Oral Innovative Medical Device Center Fixed-income Project of RMB300 million, the Liyang Economic Development Zone Aerodynamics Research Institute Project of RMB200 million, the Taizhou Xinghua Economic Development Zone Industrial Park Upgrading Fixed-income Project of RMB200 million, the Yancheng Economic Development Zone Industrial Park Phase I Fixed-income Project of RMB200 million, the Wuxi Huishan State-owned Holding Fixed-income Project of RMB134 million, and the Yangzhou Guangling Food Industrial Park Fixed-income Project of RMB100 million; and the reclassification of several projects from non-current assets to current assets, including the Wuxi High-tech Zone Industrial Park Project of RMB500 million, the Liyang High-tech District Intelligent Internet Vehicle Test Center Project of RMB400 million, the Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project of RMB351 million, and the Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project of RMB200 million.

Financial assets at fair value through profit or loss (current assets)

The balance as at 31 December 2025 was RMB31.98 million, which primarily represents wealth management products of RMB11.90 million purchased by the Group from China Merchants Bank and Ping An Bank, and an investment of RMB20.08 million in the WeRide Project.

Other current assets

The balance as at 31 December 2025 was RMB8.21 million, which was primarily attributable to the input value-added tax (VAT) to be deducted in Chinese Mainland.

Interest-bearing loans and borrowings

As at 31 December 2025, the balance increased by RMB1.456 billion as compared with the balance as at the end of 2024. This was primarily attributable to the completion of a bond payable issuance of RMB1.50 billion by Success during the Year 2025; concurrently, a loan of RMB55.17 million borrowed from China Merchants Bank was repaid by Wuhan Chuguang Industry New Development Co. Ltd.; lease liabilities increased by RMB3.00 million and an increase of RMB6.89 million in the accrued interest of other borrowings due to shareholder loans obtained from Huzhou Tongchuang Jintai Huizhong Enterprise Management Partnership

(Limited Partnership)* (湖州同創金泰匯眾企業管理合夥企業(有限合夥)). The borrowings were denominated in RMB. Details of the bank borrowings are set out in Note 22 to the financial statements.

Bonds payable

Please refer to Note 22 for the details of the bonds payable.

Trade payables

The balance as at 31 December 2025 increased by RMB5.62 million as compared with the balance as at the end of 2024, which was mainly due to the commencement of construction work by SGLD for the two schools in the eastern part of Luodian New Town.

Other payables and accruals

The balance as at 31 December 2025 decreased by RMB56.60 million as compared with the balance as at the end of 2024, which was mainly due to the refund of a deposit of RMB70.00 million for the Jingjiang Furuite Aluminum New Material Project in 2025.

Contract liabilities

The balance as at 31 December 2025 decreased by RMB62.41 million as compared with the balance as at the end of Year 2024, which was mainly due to the release of contract liabilities carried forward amounting to RMB62.18 million, which included SGLD's recognition of RMB5.0 million management fee for the construction of the eastern part of Luodian New Town in 2025 and construction income of RMB57.18 million for the two schools in the eastern area.

Cash and bank balances

Overall, cash and bank balances for the Year 2025 increased by RMB1.151 billion as compared with the balance as at the end of Year 2024, with a balance of RMB2.196 billion as at 31 December 2025, which was mainly due to net cash outflow from operating activities of RMB177 million, net cash inflow from investing activities of RMB24 million, and net cash inflow from financing activities of RMB1.304 billion during the Year 2025. Cash and bank balances were denominated in RMB, Hong Kong dollar and United States dollar.

Gearing ratio (defined as net debt/the sum of shareholders' equity and net debt) as at 31 December 2025 was 25%, which increased as compared with 21% as at 31 December 2024. This was mainly due to an increase in net debt as a result of the completion of the issuance of bonds payable amounting to RMB1.50 billion by Success during the Year 2025.

Market Overview

As the final year of the “14th Five-Year Plan”, 2025 saw China’s economy demonstrate strong resilience amidst an increasingly complex domestic and international environment. Through a more proactive and impactful combination of macro policies, the country successfully achieved its annual targets and tasks, with its economic aggregate surpassing the RMB140 trillion mark for the first time and high-quality development making solid progress. The full-year Gross Domestic Product (GDP) reached RMB140.19 trillion, representing a year-on-year growth of 5.0%. By industry, the value added of the primary, secondary and tertiary industries grew by 3.9%, 4.5% and 5.4%, respectively. In terms of growth drivers, final consumption expenditure, gross capital formation, and net exports contributed 2.6, 0.8, and 1.6 percentage points to economic growth, respectively. New quality productive forces accelerated their growth, with the value added of the equipment manufacturing industry and high-technology manufacturing industry above designated size increasing by 9.2% and 9.4%, respectively. The per capita disposable income of residents reached RMB43,377, a real increase of 5.0%.

On the policy front, the state implemented a macro policy combination of a “more proactive fiscal policy” and a “moderately loose monetary policy”, playing a counter-cyclical adjustment role. On the fiscal front, efforts were intensified to enhance efficiency. By appropriately raising the deficit ratio and expanding the scale of new government debt, priority was given to ensuring funding for major national strategies and security capacity building projects. Simultaneously, domestic demand potential was stimulated through large-scale equipment upgrades and consumer goods trade-in policies. The issuance scale of special-purpose government bonds also reached a record high. On the monetary front, policies were targeted, flexible, moderate, precise, and effective. Tools such as reserve requirement ratio (RRR) cuts and interest rate cuts were comprehensively utilized to maintain ample liquidity. New re-lending facilities for services consumption and elderly care were established to guide financial institutions in channeling credit resources downwards, focusing on reducing real economy financing costs and promoting a reasonable recovery in prices, thereby creating a suitable financial environment for economic recovery and improvement.

In 2025, global economic divergence intensified, with developed economies experiencing a slowdown while emerging economies grew relatively faster. However, unilateral tariffs and geopolitical conflicts continued to pressure global trade. Facing external uncertainties, China deepened its economic and trade cooperation with countries along the “Belt and Road”. The share of imports and exports with these countries steadily increased, exports of high-technology products showed good momentum, and foreign trade demonstrated strong resilience. These factors provided robust support for China’s economy to achieve stable quantitative growth and effective qualitative improvement in a complex environment in 2025, laying a solid foundation for a good start to the “15th Five-Year Plan”.

Business Review

In 2025, the Group continued to deepen its reform and transformation path, delivering a high-quality performance amid challenges. Facing the complex economic environment both domestically and internationally, the Group leveraged the resource advantages of its shareholders, Wuxi Communications and CDB Capital, and fully utilised the business network effect of “local state-owned assets + central enterprise financial institutions”. Its main businesses maintained steady growth, while its strategic transformation gradually narrowed and focused its direction. Alongside achieving steady growth in operational performance, the Group made significant breakthroughs in financing, successfully issuing RMB1.5 billion in offshore RMB bonds for the refinancing of existing debts. This further reduced debt costs and optimised the maturity structure, providing sustainable financial support for subsequent business development.

The fixed-income business achieved steady progress, generating annual revenue of approximately RMB231 million, a year-on-year increase of 26%, and continued to contribute stable cash flow. As of 31 December 2025, the total fixed-income investment portfolio amounted to RMB3.366 billion. The operation of high-quality assets improved in quality amid stability. Despite market pressures, the Wuhan Optical Valley property project achieved a “stabilisation and rebound”. Through targeted leasing and service upgrades, the average occupancy rate rebounded to 75% by year-end, ensuring the stability of the investment property valuation.

In business transformation, in 2025, the Group seized the policy opportunities of China’s vigorous development of new quality productivity, leveraging the resources and network advantages of its shareholders, and reserved high-quality equity projects in new economy areas such as integrated circuits, new energy, new materials, high-end equipment manufacturing, and environmental protection. The path for strategic mergers and acquisitions is gradually narrowing and becoming clearer, aiming to create steady income and cash flow as well as expand the growth potential in subsequent new business areas through holding high-quality assets in different industries.

In 2025, the joint ventures and associates operated in a stable manner, with their loss reduced as compared with the previous year. On one hand, strengthened corporate management, together with the optimisation and extension of loans for the Nanjing Guoying project, has effectively eased the Group’s temporary debt pressure. On the other hand, the new plan for the Junzhuang project has been approved. The Group is renegotiating the lease of construction land with the village collective in line with the new plan, so as to reduce ongoing operating costs and enhance the efficiency of future project development.

Save as disclosed above, there has been no material updated in relation to the Nanjing Guoying project and Junzhuang project.

Others

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Save as disclosed in the “financial position” section and “details of important events affecting the Group which have occurred since the end of the financial year” section in the management discussion and analysis, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year 2025.

Foreign exchange exposure

The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt investments at amortised cost, financial instruments at fair value through profit or loss and interest-bearing bank borrowings. The Group will continue to monitor closely the foreign exchange exposure and will implement the necessary hedging arrangements to mitigate any significant foreign exchange risk when and if appropriate.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year 2025. The Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group’s cash requirements for the Group’s strategy or direction from time to time can be met.

Pledge of assets

During the Year 2025, the Group pledged its investment property to secure the bank borrowings.

Contingent liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities.

- b)** Details of important events affecting the Group which have occurred since the end of the financial year:

Nil

c) Potential business development of the Group in future:

Looking forward to the year 2026, as the first year of the 15th Five-Year Plan, the Group will closely align with the country's new quality productive forces direction, focus on strategic emerging industries and the high-tech sector, and accelerate business transformation. The fixed-income business will maintain steady improvement to ensure cash flow; core assets such as Wuhan Optical Valley project will be optimized to enhance efficiency; existing assets will be tackled with a 'one policy for each item' approach to accelerate asset revitalization. At the same time, high-quality equity projects will be actively reserved, aiming for substantial breakthroughs in strategic mergers and acquisitions, and consistently create core value for shareholders in the long term.

APPRECIATION STATEMENT

The Board would like to take this opportunity to express its heartfelt appreciation for the trust and support of the strategic investors of the Group and all shareholders, and to express its sincere gratitude to all members of the Board and all executives and staff of the Group for their team spirit and loyal services during the challenging year.

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

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities (including sale of treasury shares, if any) during the Year 2025. As at 31 December 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

During the Year 2025, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules.

DIRECTORS' COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as its code of conduct for dealings in securities of the Company by the directors of the Company (the "Directors"). Specific enquiries had been made by the Company to all Directors who have confirmed that they had complied with the required standard as set out in the Model Code throughout the Year 2025.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, there were 90 (2024: 92) employees in the Group. During the Year 2025, the total staff cost including Directors' remuneration amounted to approximately RMB59.96 million (2024: RMB55.64 million). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group. The Group also provides and arranges on-the-job training for its employees.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be held on Thursday, 25 June 2026 (the "2026 AGM"). The notice of the 2026 AGM will be published on the Company's website (www.china-newtown.com) and the website of the HKEx (www.hkexnews.hk) in the manner prescribed under the Listing Rules in due course.

FINAL DIVIDEND

The Board has resolved to recommend the payment of final dividend of HKD0.0025 per ordinary share of the Company (the "Share") for the Year 2025 (2024: HKD0.0039) payable to the shareholders whose names appear on the register of members of the Company (the "Register of Members") at the close of business on Monday, 6 July 2026, being the record date for determining shareholders' entitlement to the proposed final dividend. The proposed final dividend for the Year 2025 is subject to the approval of the shareholders at the 2026 AGM. It is expected that the final dividend will be paid to the shareholders by the Company on or before Monday, 27 July 2026.

CLOSURE OF REGISTER OF MEMBERS

For 2026 AGM

The Register of Members will be closed from Monday, 22 June 2026 to Thursday, 25 June 2026 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders' entitlement to attend the forthcoming 2026 AGM. In order to qualify for attending and voting at the 2026 AGM, the shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 18 June 2026. The record date will be Thursday, 25 June 2026.

For the proposed final dividend

The Register of Members will be closed from Thursday, 2 July 2026 to Monday, 6 July 2026 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders' entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, the non-registered shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 30 June 2026. The record date will be Monday, 6 July 2026.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Lo Wai Hung (committee chairman), Mr. Ji Jiaming and Mr. Yuan Kejian.

The Audit Committee has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the risk management and internal control, and reporting matters. The Group's audited consolidated financial statements and final results for the Year 2025 have been reviewed by the Audit Committee.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

The final results announcement of the Company is published on the websites of the Company (www.china-newtown.com) and the HKEx (www.hkexnews.hk). The 2025 annual report of the Company containing all information required by the Listing Rules will be available on the above websites in due course.

By order of the Board
China New Town Development Company Limited
Yang Meiyu
President and Executive Director

Hong Kong, 20 March 2026

As at the date of this announcement, the executive Directors are Ms. Yang Meiyu (President) and Mr. Shi Janson Bing; the non-executive Directors are Ms. Liu Yanhong (Chairman), Mr. Xie Zhen, Mr. Wang Yi and Ms. Qin Yangfan; and the independent non-executive Directors are Mr. Lo Wai Hung, Mr. Ji Jiaming and Mr. Yuan Kejian.

* *For identification purpose only*