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CHINA SCE GROUP HOLDINGS LIMITED

中駿集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1966)

**ANNUAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

- Contracted sales amount was approximately RMB6,541,176,000.
- Revenue was approximately RMB37,114,102,000.
- Gross profit was approximately 17.6%.
- Loss attributable to owners of the parent was approximately RMB7,446,681,000.

The board (the “**Board**”) of directors (the “**Directors**”) of China SCE Group Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or “**China SCE**”) for the year ended 31 December 2025 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
REVENUE	5	37,114,102	40,770,075
Cost of sales		<u>(30,565,478)</u>	<u>(34,534,538)</u>
Gross profit		6,548,624	6,235,537
Other income and gains	5	142,409	286,830
Changes in fair value of investment properties, net		(2,933,577)	(5,051,706)
Selling and marketing expenses		(524,093)	(707,896)
Administrative expenses		(1,304,614)	(1,219,167)
Write down to net realisable value of completed properties held for sale and properties under development		(5,184,992)	(3,524,633)
Other expenses		(898,791)	(1,468,888)
Finance costs	6	(1,696,585)	(1,893,627)
Share of profits and losses of:			
Joint ventures		15,776	307,164
Associates		(119,004)	39,766
LOSS BEFORE TAX	7	(5,954,847)	(6,996,620)
Income tax expense	8	(1,648,987)	(937,852)
LOSS FOR THE YEAR		(7,603,834)	(7,934,472)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Continued)**

Year ended 31 December 2025

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
OTHER COMPREHENSIVE INCOME/(LOSS):		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of joint ventures	5,931	(6,978)
Exchange differences on translation of foreign operations	607,671	(466,013)
	<u>613,602</u>	<u>(472,991)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	613,602	(472,991)
	<u>613,602</u>	<u>(472,991)</u>
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR	613,602	(472,991)
	<u>613,602</u>	<u>(472,991)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(6,990,232)	(8,407,463)
	<u>(6,990,232)</u>	<u>(8,407,463)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Continued)**

Year ended 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Loss attributable to:			
Owners of the parent		(7,446,681)	(7,863,349)
Non-controlling interests		<u>(157,153)</u>	<u>(71,123)</u>
		<u>(7,603,834)</u>	<u>(7,934,472)</u>
Total comprehensive loss attributable to:			
Owners of the parent		(6,861,006)	(8,327,966)
Non-controlling interests		<u>(129,226)</u>	<u>(79,497)</u>
		<u>(6,990,232)</u>	<u>(8,407,463)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>10</i>		
Basic and diluted		<u>RMB(176.3) cents</u>	<u>RMB(186.2)cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property and equipment		645,897	707,095
Investment properties		20,791,000	26,799,100
Intangible asset		–	2,319
Properties under development		4,377,322	5,843,494
Contract in progress		111,232	110,979
Investments in joint ventures		1,954,000	2,077,866
Investments in associates		524,932	832,847
Prepayments and other assets		580,026	663,056
Deferred tax assets		657,555	886,666
		<hr/>	<hr/>
Total non-current assets		29,641,964	37,923,422
CURRENT ASSETS			
Properties under development		32,243,979	58,834,211
Completed properties held for sale		10,359,493	10,340,488
Trade receivables	<i>11</i>	366,581	281,910
Prepayments, other receivables and other assets		8,785,926	11,631,331
Financial assets at fair value through profit or loss		113,377	158,339
Due from related parties		1,827,626	2,534,330
Prepaid income tax		2,025,934	2,536,178
Restricted cash		923,438	1,124,479
Cash and cash equivalents		2,335,841	2,920,538
		<hr/>	<hr/>
Total current assets		58,982,195	90,361,804

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	12	14,548,563	13,993,277
Other payables and accruals		10,883,573	10,030,025
Contract liabilities		17,520,974	48,082,677
Interest-bearing bank and other borrowings		12,385,049	11,241,555
Senior notes and domestic bonds		14,824,300	12,908,448
Due to related parties		2,474,765	2,407,084
Tax payable		6,276,282	5,354,942
		<hr/>	<hr/>
Total current liabilities		78,913,506	104,018,008
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(19,931,311)	(13,656,204)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,710,653	24,267,218
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		5,396,457	8,562,544
Senior notes and domestic bonds		480,719	2,706,019
Lease liabilities		1,530	3,093
Deferred tax liabilities		1,772,232	2,326,347
Provision for major overhauls		–	99,342
		<hr/>	<hr/>
Total non-current liabilities		7,650,938	13,697,345
		<hr/>	<hr/>
Net assets		2,059,715	10,569,873
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital		365,138	365,138
Reserves		(5,474,192)	1,330,890
		<hr/>	<hr/>
		(5,109,054)	1,696,028
Non-controlling interests		7,168,769	8,873,845
		<hr/>	<hr/>
Total equity		2,059,715	10,569,873
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NOTES:

1. CORPORATE INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The addresses of the principal place of business of the Company in the People's Republic of China (the "PRC") and Hong Kong are SCE Tower, No. 2, Lane 1688, Shenchang Road, Hongqiao Business District, Shanghai, China; and Room 2502-03A, Landmark South, 39 Yip Kan Street, Wong Chuk Hang, Hong Kong, respectively.

The Group was principally engaged in property development, property investment, property management, project management and land development in the PRC during the year.

In the opinion of the Directors, the ultimate holding company of the Company is Newup Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs") (which include all HKFRS Accounting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured 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 (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company 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 with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. 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.

The Group reassesses 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 described above. 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, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern basis

The Group recorded a loss attributable to owners of the parent of approximately RMB7.447 billion for the year ended 31 December 2025. As at 31 December 2025, the Group recorded net current liabilities of RMB19.931 billion. As at 31 December 2025, the interest-bearing bank and other borrowings, senior notes and domestic bonds of the Group amounted to approximately RMB33.087 billion, while its cash and cash equivalents amounted to approximately RMB2,336 billion. The Group did not make payment of principal and interest on offshore senior notes and certain interest-bearing bank and other borrowings since October 2023, triggering events of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements. As at 31 December 2025, the Group's defaulted or cross-defaulted principal and accrued interest of offshore senior notes and certain interest-bearing bank and other borrowings amounted to approximately RMB20.259 billion and RMB3.625 billion respectively.

The above conditions indicate the existence of a material uncertainty which casts significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, certain plans and measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but not limited to, the following:

- (a) The Company and relevant stakeholders of certain offshore senior notes and bank borrowings and their respective advisors have continued to work together to finalise the principal terms of the proposed offshore debt restructuring, which is intended to allow adequate financial flexibility and liquidity to stabilise the Group's business and to facilitate a sustainable capital structure, while protecting the rights and interests of all stakeholders.

The Company, as disclosed in the Company's announcement dated 26 June 2025, entered into a restructuring support agreement (the "RSA") with an ad hoc group (the "AHG") of certain holders of offshore senior notes. The execution of the RSA by the Company and the AHG represents an important milestone in the progress towards achieving the proposed offshore debt restructuring.

As further disclosed in the Company's announcement dated 20 November 2025 (the "**Announcement**"), the Company has executed an agreement to amend the RSA (the "**RSA Amendment Agreement**"). As at the date of the Announcement, scheme creditors, comprising of both noteholders and lenders holding approximately 78% of the aggregate outstanding principal amount of in-scope debt (defined in the Announcement), have acceded to the amended and restated RSA pursuant to the RSA Amendment Agreement.

On 24 March 2026, the Court of First Instance of the High Court directed that a meeting of scheme creditors be convened to consider, and if thought fit, to approve (with or without modification) the proposed scheme of arrangement to be made between the Company and scheme creditors. The Group will work with its financial and legal advisors to complete the remaining implementation steps to give effect to the proposed offshore debt restructuring as soon as practicable;

- (b) The Group will continue to seek for re-financing or extension of its existing bank and other borrowings and secure new project development loans for ensuring the delivery of property projects;
- (c) The Group timely adjusts its sales strategy to accelerate pre-sales and sales of properties and speed up collection of sales proceeds; and
- (d) The Group will continue to search for potential buyers for disposal of certain investment properties and non-core businesses in order to generate additional cash inflows.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. In the opinion of the Directors whether the Group will be able to continue as a going concern would mainly depend upon the following:

- (a) successfully completing the holistic restructuring of its offshore indebtedness;
- (b) successfully negotiating with banks and financial institutions on the re-financing or extension of its bank and other borrowings and securing new project development loans;
- (c) successfully implementing sales strategy to accelerate pre-sales and sales of properties and speed up collection of sales proceeds; and
- (d) successfully disposing of certain investment properties and non-core businesses.

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 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

The Group is principally engaged in the businesses of property development, property investment, property management, project management and land development. For management purposes, the property development and property investment businesses are monitored as one operating segment on a project basis to allocate resources and assess performance. For financial reporting purposes, the property management segment, project management segment and land development segment are combined with the property development and investment segment as its reported revenue, reported results and assets are less than 10% of the consolidated revenue, consolidated loss and consolidated assets of the Group.

The Group's revenue from external customers from each product or service is set out in note 5 below.

The Group's revenue from external customers is derived solely from its operations in the PRC, and the non-current assets of the Group are substantially located in the PRC.

During the years ended 31 December 2025 and 31 December 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers		
Sales of properties	34,899,031	38,843,471
Property management fees	1,301,083	1,201,595
Project management income	250,765	103,727
Land development income	105,840	42,648
Subtotal	<u>36,556,719</u>	<u>40,191,441</u>
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	39,762	30,969
Other lease payments, including fixed payments	517,621	547,665
Subtotal	<u>557,383</u>	<u>578,634</u>
Total revenue	<u><u>37,114,102</u></u>	<u><u>40,770,075</u></u>
Other income and gains		
Bank interest income	12,524	29,998
Consultancy service income	36,720	27,078
Dividend income from financial assets at fair value through profit or loss	14,299	–
Forfeiture income on deposits received	7,376	22,911
Gain on disposal of items of property and equipment, net	237	1,008
Gain on disposal of joint ventures, net	6,230	71,402
Foreign exchange differences, net	–	65,158
Government grants	9,191	21,628
Others	55,832	47,647
Total other income and gains	<u><u>142,409</u></u>	<u><u>286,830</u></u>

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings, senior notes and domestic bonds	2,202,168	2,800,896
Interest on lease liabilities	393	959
Increase in a discounted amount of provision for major overhauls arising from the passage of time	<u>4,106</u>	<u>4,420</u>
Total interest expense on financial liabilities not at fair value through profit or loss	2,206,667	2,806,275
Less: Interest capitalised	<u>(510,082)</u>	<u>(912,648)</u>
Total	<u><u>1,696,585</u></u>	<u><u>1,893,627</u></u>

7. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of properties sold	29,458,509	33,412,335
Cost of services provided	1,106,830	1,122,036
Depreciation of property and equipment	63,053	52,726
Depreciation of right-of-use assets	5,074	7,493
Amortisation of an intangible asset	139	167
Provision for major overhauls	5,930	6,809
Lease payments not included in the measurement of lease liabilities	388	902
Auditor's remuneration	3,500	4,700
Employee benefit expenses (including directors' remuneration):		
Salaries and other staff costs	550,883	556,217
Pension scheme contributions	83,553	103,845
Less: Amount capitalised	(95,174)	(129,656)
	<hr/> 539,262 <hr/>	<hr/> 530,406 <hr/>
Foreign exchange differences, net	84,687	(65,158)
Fair value loss on financial assets at fair value through profit or loss, net	6,877	36,965
Loss on disposal of subsidiaries, net	29,162	–
Loss on disposal of investment properties, net	161,070	26,253
Impairment losses of trade receivables, net	69,429	43,198
Impairment losses recognised on investments in joint ventures and associates	338,586	695,043
Impairment losses recognised on amounts due from related parties	560,205	773,845
Gain on disposal of joint ventures, net	(6,230)	(71,402)
	<hr/> (6,230) <hr/>	<hr/> (71,402) <hr/>

8. INCOME TAX

Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil).

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current charge for the year:		
PRC corporate income tax	982,630	899,301
PRC land appreciation tax	806,920	534,762
Under-provision in prior years, net:		
Mainland China	–	217,080
	<u>1,789,550</u>	<u>1,651,143</u>
Deferred tax credited for the year	<u>(140,563)</u>	<u>(713,291)</u>
Total tax charge for the year	<u><u>1,648,987</u></u>	<u><u>937,852</u></u>

9. DIVIDENDS

The Board has resolved not to declare any final dividend in respect of the year ended 31 December 2025 (2024: Nil). No interim dividend was declared in respect of the current year (2024: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 4,222,986,126 (2024: 4,222,986,126) in issue (excluding treasury shares) during the year.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2025 and for the year ended 31 December 2024 in respect of a dilution as the impact of share options outstanding had no dilutive effect on the basic loss per share amount presented.

11. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	482,156	328,056
Less: Impairment losses of trade receivables	<u>(115,575)</u>	<u>(46,146)</u>
	<u>366,581</u>	<u>281,910</u>

The Group's trade receivables arise from the sales of properties, leasing of investment properties and provision of property management services.

Consideration in respect of the sales of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of property management services. The Group generally grants a rent-free period of three months to the lessees of the Group's investment properties, extending up to six months for major customers.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date and invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current to 90 days	204,090	52,746
91 to 180 days	29,332	62,299
181 to 365 days	47,585	61,140
Over 365 days	<u>85,574</u>	<u>105,725</u>
Total	<u>366,581</u>	<u>281,910</u>

12. TRADE AND BILLS PAYABLES

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	7,372,462	13,487,076
Over 1 year	<u>7,176,101</u>	<u>506,201</u>
Total	<u>14,548,563</u>	<u>13,993,277</u>

The trade and bills payables are unsecured and non-interest-bearing and are normally settled based on the progress of construction.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2025.

Opinion

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

Material uncertainty related to the going concern

We draw attention to note 2.1 to the consolidated financial statements which states that, the Group recorded a loss attributable to owners of the parent of approximately RMB7.447 billion for the year ended 31 December 2025 and, as of that date, the Group’s net current liabilities amounted to approximately RMB19.931 billion. The Group did not make payment of principal and interest on offshore senior notes and certain interest-bearing bank and other borrowings since October 2023, triggering events of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements. As at 31 December 2025, the interest-bearing bank and other borrowings, senior notes and domestic bonds of the Group amounted to approximately RMB33.087 billion, while its cash and cash equivalents amounted to approximately RMB2.336 billion.

This condition indicates the existence of a material uncertainty which 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 of the Company having considered the plans and measures being taken by the Group, which is disclosed at note 2.1 to the consolidated financial statements, are of the opinion that the Group would be able to continue as going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the plans and measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2025, the real estate market in the People's Republic of China (the "PRC") remained in its bottoming-out phase. Despite lenient policies implemented by central and local governments, including further relaxation of purchase restriction in key cities, reduction of payment ratio and mortgage interest rate to historic lows and elevating urban renewal to a national strategic priority, the real estate market continued to face significant downward pressure. During the year, structural divergence across city tiers became increasingly pronounced. Core first- and second-tier cities demonstrated greater resilience due to historical advantages, robust economic foundations, and population magnetism. Conversely, third- and fourth-tier cities grappled with severe inventory reduction pressures. Looking ahead, the PRC's real estate market is expected to gradually complete its bottoming-out process and enter a new development phase as inventory continues to be absorbed and policies synergistically take effect.

In 2025, the sales of newly developed national commodity houses amounted to approximately RMB8,393.7 billion, representing a year-on-year decrease of 12.6%, including a 13.0% decrease in residential housing sales. The sales area of newly developed national commodity houses amounted to approximately 881 million sq.m., representing a year-on-year decrease of 8.7%, including a 9.2% decrease in residential housing sales area.

BUSINESS REVIEW

Contracted Sales

In 2025, the Group together with its joint ventures and associates achieved contracted sales amounted to approximately RMB6.541 billion for the year, and contracted sales area of approximately 0.80 million sq.m., representing a year-on-year significant decrease of approximately 41.7% and 35.0%, respectively. The average property selling price during the year was RMB8,162 per sq.m.

In 2025, the Group together with its joint ventures and associates had an aggregate of over 80 projects for sales in over 40 cities, mainly in second-tier cities and core areas of third- and fourth-tier cities.

The contracted sales realised by the Group together with its joint ventures and associates during the year are set out below:

By City

City	Contracted Sales Amount (RMB Million)	Contracted Sales Area (sq.m.)	Percentage of Contracted Sales Amount (%)
Hangzhou	687	33,454	10.5
Shantou	675	64,367	10.3
Beijing	501	18,726	7.7
Suzhou	373	28,625	5.7
Nanjing	354	39,245	5.4
Quanzhou	336	37,595	5.1
Kunming	309	42,532	4.7
Jieyang	309	44,575	4.7
Chongqing	258	65,957	3.9
Pingdingshan	218	32,688	3.3
Lincang	217	29,069	3.3
Meizhou	204	26,827	3.1
Shangrao	187	27,699	2.9
Wenshan	186	28,613	2.9
Zhumadian	185	37,403	2.9
Zhaotong	151	28,045	2.3
Xuzhou	129	18,662	2.0
Hefei	129	7,427	2.0
Weifang	119	20,549	1.8
Xuchang	105	22,248	1.6
Others	909	147,098	13.9
Total	6,541	801,404	100.0

By Region

Region	Contracted Sales Amount (RMB Million)	Contracted Sales Area (sq.m.)	Percentage of Contracted Sales Amount (%)
Central Western Region	1,872	326,623	28.6
Yangtze River Delta Economic Zone	1,771	140,641	27.1
Guangdong-Hong Kong-Macao Greater Bay Area	1,399	166,974	21.4
Bohai Rim Economic Zone	866	79,620	13.2
West Taiwan Strait Economic Zone	633	87,546	9.7
Total	6,541	801,404	100.0

By City Tier

City Tier	Contracted Sales Amount (RMB Million)	Contracted Sales Area (sq.m.)	Percentage of Contracted Sales Amount (%)
First-tier cities	514	22,436	7.9
Second-tier cities	2,371	257,750	36.2
Third- and forth-tier cities	3,656	521,218	55.9
Total	6,541	801,404	100.0

From the perspective of city distribution, contracted sales in Hangzhou and Beijing have been the most remarkable among the first-tier and second-tier cities, amounting to approximately RMB687 million and RMB501 million, respectively, accounting for approximately 10.5% and 7.7% of the total contracted sales amount. The contracted sales of the Central Western Region and the Yangtze River Delta Economic Zone amounted to approximately RMB1.872 billion and RMB1.771 billion, respectively, accounting for approximately 28.6% and 27.1% of the total contracted sales amount.

Land Bank

As at 31 December 2025, the Group together with its joint ventures and associates had a land bank with an aggregate planned GFA of approximately 21.15 million sq.m. (the aggregate planned GFA attributable to the Group was approximately 17.89 million sq.m.), distributing in 55 cities. From the perspective of geographic distribution, the land bank costs (excluding investment properties) of the Group together with its joint ventures and associates located in the Yangtze River Delta Economic Zone, the Bohai Rim Economic Zone, Central Western Region, the West Taiwan Strait Economic Zone and the Guangdong — Hong Kong — Macao Greater Bay Area accounted for approximately 35.8%, 20.4%, 18.1%, 13.6% and 12.1% respectively. Considering the tiers of cities, the land bank costs (excluding investment properties) of the Group together with its joint ventures and associates located in first-tier cities, second-tier cities as well as third- and fourth-tier cities accounted for approximately 12.5%, 48.2% and 39.3% respectively.

OUTLOOK

The Group anticipates that the real estate market, having undergone continuous adjustments throughout 2025, has now established a new starting point for future recovery. Repeatedly optimised real estate market policies by central and local governments will alleviate downward pressure on property prices and boost homebuyers' confidence, laying a solid foundation for the real estate market to emerge from its bottoming-out phase.

In 2026, the Group's strategic focus will shift from "Ensure Delivery" to "Refine Operations". We will adopt a operation-oriented approach centered on improving products, promoting sales of completed properties and guaranteeing high-quality delivery. Concurrently, the Group will deepen its understanding of local market dynamics and demands to implement targeted product optimisation and innovation. Furthermore, the Group will proactively advance disintermediation to effectively reduce operating costs, improve cash flow, and ultimately enhance asset and brand value.

In the commercial management segment, the Group will intensify market research in each project's region to gain deep insights into local consumer preferences. Differentiated operations will be adopted for each project, optimising market positioning through in-depth operation and proactive tenant brand portfolio adjustments to align with regional consumers. Concurrently, the rental pricing mechanism will be refined to ensure adjustments on rental made on a project by project basis, achieving mutually beneficial outcomes with tenants. For the long-term rental apartment segment, the Group will continue to focus on performance growth of each project while actively exploring expansion in community operations and diversified service models. In the residential management segment, the Group will concentrate on enhancing the quality of management services and improving the collection rate of property management fees. This includes implementing measures such as systematic and periodic fee collection reminders to safeguard cash inflows.

In the future, the real estate industry will continue to face numerous challenges and uncertainties, yet there remains market potential for improved housing demand. Simultaneously, refined operations and service optimisation will undoubtedly help enterprises build sustainable competitive advantages. The Group will persistently focus on product quality, actively explore customer needs, and create high-quality homes. With unwavering confidence, we will embrace the new market landscape with a more proactive and enterprising attitude.

FINANCIAL REVIEW

Revenue

The Group mainly derives its revenue from sales of properties, property management fees and rental income.

The annual revenue decreased by approximately 9.0% from approximately RMB40,770,075,000 in 2024 to approximately RMB37,114,102,000 in 2025, which was mainly attributable to the significant decrease in revenue from sales of properties.

- *Sales of properties*

Revenue from sales of properties decreased by approximately 10.2% from approximately RMB38,843,471,000 in 2024 to approximately RMB34,899,031,000 in 2025. Delivered area increased by approximately 4.2% from 2,605,724 sq.m. in 2024 to 2,714,355 sq.m. in 2025. The average unit selling price decreased from approximately RMB14,907 per sq.m. in 2024 to approximately RMB12,857 per sq.m. in 2025.

- *Property management fees*

Property management fees increased by approximately 8.3% from approximately RMB1,201,595,000 in 2024 to approximately RMB1,301,083,000 in 2025, which was mainly attributable to the increase in the number and floor area of properties under management.

- *Rental income*

Rental income decreased by approximately 3.7% from approximately RMB578,634,000 in 2024 to approximately RMB557,383,000 in 2025, which was mainly attributable to the decrease in rental of offices and long-term rental apartments during the year.

Gross Profit

Gross profit increased by approximately 5.0% from approximately RMB6,235,537,000 in 2024 to approximately RMB6,548,624,000 in 2025. Gross profit margin increased from approximately 15.3% in 2024 to approximately 17.6% in 2025. The increase in gross profit margin was mainly due to the delivery of certain projects located in Shanghai, Fuzhou and Beijing with higher gross profit margins during the year.

Changes in Fair Value of Investment Properties, Net

The fair value losses of investment properties decreased significantly by approximately 41.9% from approximately RMB5,051,706,000 in 2024 to approximately RMB2,933,577,000 in 2025. The fair value losses of investment properties was mainly attributable to the effects of the decline in demand for commercial properties in the PRC.

Selling and Marketing Expenses

Selling and marketing expenses decreased by approximately 26.0% from approximately RMB707,896,000 in 2024 to approximately RMB524,093,000 in 2025. The decrease in selling and marketing expenses was mainly attributable to the significant decrease in contracted sales amount during the year.

Administrative Expenses

Administrative expenses increased by approximately 7.0% from approximately RMB1,219,167,000 in 2024 to approximately RMB1,304,614,000 in 2025. The increase in administrative expenses was mainly attributable to the losses on disposal of investment properties.

Other expenses

Other expenses decreased significantly by approximately 38.8% from approximately RMB1,468,888,000 in 2024 to approximately RMB898,791,000 in 2025. The decrease was mainly attributable to the decreased amount of impairment losses for investments in joint ventures and associates and due from related parties.

Finance Costs

Finance costs decreased by approximately 10.4% from approximately RMB1,893,627,000 in 2024 to approximately RMB1,696,585,000 in 2025. Finance costs mainly represented partial borrowing costs which have not been capitalised as certain borrowings were not used for project developments. Given the decrease in bank and other borrowings and their interest rates during the year, total interest expenses decreased from approximately RMB2,806,275,000 in 2024 to approximately RMB2,206,667,000 in 2025.

Income Tax Expense

Income tax expense increased significantly by approximately 75.8% from approximately RMB937,852,000 in 2024 to approximately RMB1,648,987,000 in 2025. The increase in income tax expense during the year was mainly attributable to the aggregate effect of increase in land appreciation tax and corporate income tax as a result of the increase in gross profit margin, and the decrease in deferred tax credited to profit or loss as a result of the decrease in fair value losses of investment properties.

Loss Attributable to Owners of the Parent

Loss attributable to owners of the parent decreased by approximately 5.3% from approximately RMB7,863,349,000 in 2024 to approximately RMB7,446,681,000 in 2025. The loss attributable to owner of the parent was mainly resulted from the aggregate effect of (i) decline in the selling prices of properties, leading to additional provision of impairment for property projects; and (ii) declining demand for commercial properties causing fair value losses of investment properties, during the year.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2025, the Group's cash and bank balances were denominated in different currencies as set out below:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Renminbi	3,106,011	3,975,285
Hong Kong dollars	23,150	17,429
US dollars	130,118	52,303
	<hr/>	<hr/>
Total cash and bank balances	<u>3,259,279</u>	<u>4,045,017</u>

According to the relevant laws and regulations of the PRC, certain property development companies of the Group are required to place certain amounts of cash and bank deposits into designated bank accounts to provide guarantees for the development of the relevant properties. As at 31 December 2025, the amount of restricted cash was approximately RMB923,438,000 (31 December 2024: approximately RMB1,124,479,000).

Borrowings

The maturity profile of the borrowings of the Group as at 31 December 2025 was as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank and other borrowings:		
Within one year or on demand	12,385,049	11,241,555
In the second year	2,826,892	5,309,860
In the third to fifth years, inclusive	1,592,762	2,359,307
Beyond fifth year	976,803	893,377
	<u>17,781,506</u>	<u>19,804,099</u>
Senior notes and domestic bonds:		
Within one year or on demand	14,824,300	12,908,448
In the second year	480,719	2,225,300
In the third to fifth years, inclusive	–	480,719
	<u>15,305,019</u>	<u>15,614,467</u>
Total borrowings	<u>33,086,525</u>	<u>35,418,566</u>

The borrowings were denominated in different currencies as set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank and other borrowings:		
Renminbi	13,382,960	15,294,518
Hong Kong dollars	1,144,689	1,173,585
US dollars	3,253,857	3,335,996
	<u>17,781,506</u>	<u>19,804,099</u>
Senior notes and domestic bonds:		
Renminbi	2,706,019	2,706,019
US dollars	12,599,000	12,908,448
	<u>15,305,019</u>	<u>15,614,467</u>
Total borrowings	<u>33,086,525</u>	<u>35,418,566</u>

Gearing Ratio

The net gearing ratio was calculated by dividing the net debt (including bank and other borrowings, senior notes and domestic bonds after deduction of cash and cash equivalents and restricted cash) by total equity. As at 31 December 2025, the net gearing ratio was approximately 1,448.1% (31 December 2024: approximately 296.8%).

Exchange Rate Fluctuation Exposures

The Group's businesses are located in the PRC and substantially all of the Group's revenue and operating expenses are denominated in RMB. The majority of the Group's assets and liabilities are denominated in RMB. As at 31 December 2025, except for certain bank deposits, financial assets at fair value through profit or loss, bank and other borrowings and senior notes which were denominated in foreign currencies, exchange rate changes of RMB against foreign currencies will not have material adverse effect on the results of operations of the Group.

No foreign currency hedging arrangement was made as at 31 December 2025. The Group will closely monitor its exposure to fluctuation in foreign currency exchange rates.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the “**Annual General Meeting**”) of the Company will be held on Thursday, 28 May 2026. Notice of the Annual General Meeting will be issued to the shareholders of the Company in accordance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in due course.

DIVIDEND

The Board has resolved not to declare any final dividend in respect of the year ended 31 December 2025 (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting to be held on Thursday, 28 May 2026, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which no transfer of shares can be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 21 May 2026.

AUDIT COMMITTEE

The Company established an audit committee of the Board (the “**Audit Committee**”) on 6 January 2010 in compliance with rule 3.21 of the Listing Rules. The Audit Committee comprises three independent non-executive Directors, with Mr. Ting Leung Huel Stephen as the chairman, and Mr. Dai Yiyi and Mr. Mao Zhenhua as members. Mr. Ting Leung Huel Stephen, the chairman of the Audit Committee, has considerable experience in accounting and financial management, which is in line with the requirement of rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the accounting policies adopted by the Group, the consolidated financial statements of the Group for the year ended 31 December 2025 and this annual results announcement.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company’s external auditor, Prism Hong Kong Limited (“**Prism**”), to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Prism in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Prism on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have strictly complied with the required standards set out in the Model Code during the year under review.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, redeem or sell any of the Company’s listed securities during the year. The Company did not hold any treasury shares during the year.

CORPORATE GOVERNANCE

During the year ended 31 December 2025, save as disclosed below, the Company and the Board had been in compliance with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Mr. Wong Chiu Yeung performed his duties as both the chairman and the chief executive officer of the Company. The Board believes that the same individual serving as chairman and chief executive officer is beneficial to the consistency and efficiency in execution of business plans and decision-making of the Company.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND OF THE COMPANY

This results announcement of the Company for the year ended 31 December 2025 is published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at www.sce-re.com.

By order of the Board
China SCE Group Holdings Limited
Wong Chiu Yeung
Chairman

Hong Kong, China, 27 March 2026

As at the date of this announcement, the executive Directors are Mr. Wong Chiu Yeung, Mr. Cheng Hiu Lok, Mr. Huang Youquan and Ms. Zhang Haitao, and the independent non-executive Directors are Mr. Ting Leung Huel Stephen, Mr. Dai Yiyi and Mr. Mao Zhenhua.