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## **Zhongliang Holdings Group Company Limited**

**中梁控股集团有限公司**

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

**(Stock code: 2772)**

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

#### **2025 FINAL RESULTS HIGHLIGHTS**

- Contracted sales (including the Group's subsidiaries, joint ventures and associates) amounted to RMB12.07 billion, decreased year-on-year by approximately 32.7%
- Total revenue amounted to RMB12.3 billion, decreased year-on-year by approximately 69.1%
- Net loss attributable to owners amounted to RMB4.1 billion, as compared to net loss attributable to owners amounted to RMB2.4 billion for previous year.
- As at 31 December 2025, total interest-bearing indebtedness had been controlled and reduced to RMB17.7 billion

## ANNUAL RESULTS

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

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended	
		31 December	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>REVENUE</b>	3	<b>12,272,365</b>	39,681,871
Cost of sales		<u><b>(14,403,043)</b></u>	<u>(38,774,931)</u>
<b>GROSS (LOSS)/PROFIT</b>		<b>(2,130,678)</b>	906,940
Other income and gains	3	<b>1,791,529</b>	998,402
Selling and distribution expenses		<b>(308,040)</b>	(391,026)
Administrative expenses		<b>(552,402)</b>	(781,770)
Impairment losses on financial assets, net	5	<b>(558,865)</b>	(191,727)
Other expenses		<b>(1,380,472)</b>	(1,393,934)
Fair value losses on investment properties		<b>(49,488)</b>	(120,062)
Fair value (losses)/gains on financial assets at fair value through profit or loss		<b>(8,890)</b>	2,271
Finance income		<b>11,421</b>	29,011
Finance costs	4	<b>(1,137,352)</b>	(644,374)
Share of profits and losses of:			
Joint ventures		<b>(170,800)</b>	(162,257)
Associates		<u><b>(529,496)</b></u>	<u>360,497</u>
<b>LOSS BEFORE TAX</b>	5	<b>(5,023,533)</b>	(1,388,029)
Income tax expense	6	<u><b>(908,328)</b></u>	<u>(1,486,591)</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(5,931,861)</b></u>	<u>(2,874,620)</u>

		<b>For the year ended</b>	
		<b>31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
Attributable to:			
Owners of the parent		<b>(4,077,530)</b>	(2,427,358)
Non-controlling interests		<u><b>(1,854,331)</b></u>	<u>(447,262)</u>
		<u><b>(5,931,861)</b></u>	<u>(2,874,620)</u>
 <b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted			
— For loss for the year	8	<u><b>RMB(0.96)</b></u>	<u>RMB(0.66)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
<b>LOSS FOR THE YEAR</b>	<u><b>(5,931,861)</b></u>	<u><b>(2,874,620)</b></u>
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u><b>(160,926)</b></u>	<u><b>(19,245)</b></u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<u><b>(160,926)</b></u>	<u><b>(19,245)</b></u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u><u><b>(6,092,787)</b></u></u>	<u><u><b>(2,893,865)</b></u></u>
Attributable to:		
Owners of the parent	<b>(4,238,456)</b>	<b>(2,446,603)</b>
Non-controlling interests	<u><b>(1,854,331)</b></u>	<u><b>(447,262)</b></u>
	<u><u><b>(6,092,787)</b></u></u>	<u><u><b>(2,893,865)</b></u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>30,980</b>	35,728
Right-of-use assets		<b>875</b>	310
Investment properties		<b>1,373,900</b>	1,412,300
Other intangible assets		<b>314</b>	824
Investments in joint ventures		<b>3,137,758</b>	3,455,213
Investments in associates		<b>9,328,379</b>	10,427,773
Deferred tax assets		<b>872,478</b>	903,085
		<u><b>14,744,684</b></u>	<u>16,235,233</u>
Total non-current assets			
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss		<b>30,383</b>	39,273
Properties under development		<b>29,342,386</b>	41,854,872
Completed properties held for sale		<b>15,625,307</b>	17,049,885
Trade receivables	9	<b>27,518</b>	11,893
Due from related companies		<b>8,278,151</b>	9,887,435
Prepayments and other receivables		<b>38,920,916</b>	40,488,808
Tax recoverable		<b>1,783,068</b>	1,868,571
Cash and bank balances		<b>3,328,155</b>	5,740,489
		<u><b>97,335,884</b></u>	<u>116,941,226</u>
Total current assets			

		<b>As at 31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	<b>21,449,335</b>	23,085,941
Other payables and accruals		<b>23,534,816</b>	24,385,954
Lease liabilities		<b>599</b>	258
Contract liabilities		<b>19,730,615</b>	29,546,369
Due to related companies		<b>12,021,211</b>	11,956,903
Interest-bearing bank and other borrowings		<b>7,769,436</b>	7,727,652
Tax payable		<b>4,903,715</b>	4,004,336
Provision for financial guarantee contracts		<b>278,620</b>	429,841
Derivative financial instruments		<b>3,018</b>	3,818
Senior notes and host debt of convertible bonds		<b>344,403</b>	881,735
		<u><b>90,035,768</b></u>	<u>102,022,807</u>
Total current liabilities			
		<u><b>90,035,768</b></u>	<u>102,022,807</u>
<b>NET CURRENT ASSETS</b>		<u><b>7,300,116</b></u>	<u>14,918,419</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>22,044,800</b></u>	<u>31,153,652</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>219</b>	—
Interest-bearing bank and other borrowings		<b>1,905,088</b>	3,434,600
Deferred tax liabilities		<b>121,275</b>	131,294
Senior notes		<b>7,680,193</b>	8,206,755
		<u><b>9,706,775</b></u>	<u>11,772,649</u>
Total non-current liabilities			
		<u><b>9,706,775</b></u>	<u>11,772,649</u>
<b>NET ASSETS</b>		<u><b>12,338,025</b></u>	<u>19,381,003</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>39,374</b>	38,110
Reserves		<b>380,773</b>	4,496,988
		<u><b>420,147</b></u>	<u>4,535,098</u>
<b>Non-controlling interests</b>		<u><b>11,917,878</b></u>	<u>14,845,905</u>
<b>TOTAL EQUITY</b>		<u><b>12,338,025</b></u>	<u>19,381,003</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated in the Cayman Islands. The registered office address of the Company is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

During the year, the Group was principally involved in property development, property leasing and management consulting services.

In the opinion of the directors, the ultimate holding company of the Company is Changxing International Co., Ltd..

### 2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (which include International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”) and Interpretations) approved by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss (“FVTPL”) and other financial liabilities which have been measured at fair value. These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) 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 the 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 net loss of RMB5,931,861,000 for the year ended 31 December 2025. As at 31 December 2025, the Group's total interest-bearing bank and other borrowings and senior notes and host debt of convertible bonds amounted to RMB17,699,120,000, out of which RMB8,113,839,000 will be due for repayment within the next twelve months (including other interest-bearing bank and other borrowings of RMB4,803,876,000 which had not been repaid according to their scheduled repayment dates), while its cash and cash equivalents amounted to RMB1,324,262,000. As at 31 December 2025, the default of certain interest-bearing bank and other borrowings triggered certain long term interest-bearing bank and other borrowings amounting to RMB200,000,000 becoming repayable on demand.

The directors of the Group have evaluated the sustainable operation ability for 12 months from the end of the reporting period, which is affected by the macroeconomic environment, industry environment and credit environment and came to an opinion that the liquidity risk of the Company is facing periodic challenges.

The above conditions indicate the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (a) the Group has been actively negotiating with the Group's existing debt holders to seek renewal or extension for repayment of the Group's bank and other borrowings;
- (b) the Group will continue to actively communicate with banks to secure relevant project development loans for qualified project development in a timely manner;
- (c) the Group will continue to seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (d) the Group has prepared a business strategy plan focusing on the acceleration of the sales of properties;
- (e) the Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses;
- (f) the Group will continue to negotiate with construction contractors and other development vendors to manage payment schedules; and
- (g) the Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors of the Company are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the following twelve months from 31 December 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Group will be able to implement the aforementioned plans and measures. Whether the Group will be able to continue as a going concern will depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) successfully negotiating with the Group's existing debt holders for the renewal or extension for repayment of the Group's bank and other borrowings;
- (ii) successfully securing project development loans for qualified project development in a timely manner;
- (iii) successfully obtaining additional new sources of financing as and when needed;
- (iv) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;
- (v) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses;
- (vi) successfully manage the payments to construction contractors and other development vendors; and
- (vii) successfully disposing of the Group's equity interests in project development companies when suitable.

Should the Group be unable to operate as a going concern, adjustments may have to be made to write down the carrying values of 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 effect of these adjustments has not been reflected in the consolidated financial statements.

## **2.2 ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS**

In the current year, the Group has adopted all the new and amendments to IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards ("**IFRS Accounting Standards**"); International Accounting Standards ("**IAS**"); and Interpretations. The adoption of these new and amendments to IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new IFRS Accounting Standards that have been issued but are not yet effective. The application of these new IFRS Accounting Standards will not have material impact on the consolidated financial statements of the Group.

### 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	12,254,445	39,665,003
Revenue from other sources		
Property lease income	<u>17,920</u>	<u>16,868</u>
Total	<u>12,272,365</u>	<u>39,681,871</u>

#### Revenue from contracts with customers

##### (i) *Disaggregated revenue information*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Types of goods or services</b>		
Sale of properties	12,182,018	39,457,318
Other services	<u>72,427</u>	<u>207,685</u>
Total revenue from contracts with customers	<u>12,254,445</u>	<u>39,665,003</u>
Sale of properties transferred at a point in time	12,182,018	39,457,318
Services transferred over time	<u>72,427</u>	<u>207,685</u>
Total revenue from contracts with customers	<u>12,254,445</u>	<u>39,665,003</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period		
Sale of properties	<u>11,038,000</u>	<u>32,247,705</u>

(ii) *Other income and gains*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income and gains</b>		
Gain from offshore debt restructuring	—	429,948
Net fair value change on derivative financial instruments	12,750	406,493
Gains from modification of senior notes and convertible bonds	1,754,136	—
Gain on markdown of senior notes	—	135,575
Gains on payable settlement	—	130
Forfeiture of deposits	1,511	5,574
Government grants	675	5,189
Others	22,457	15,493
	<u>1,791,529</u>	<u>998,402</u>
Total other income and gains	<u>1,791,529</u>	<u>998,402</u>

4. **FINANCE COSTS**

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank loans and other borrowings, senior notes and convertible bonds	1,247,038	1,168,404
Interest expense arising from revenue contracts	257,154	882,833
Interest on lease liabilities	75	140
	<u>1,504,267</u>	<u>2,051,377</u>
Total interest expense on financial liabilities not at fair value through profit or loss	1,504,267	2,051,377
Interest capitalised	(366,915)	(1,407,003)
	<u>1,137,352</u>	<u>644,374</u>
Total	<u>1,137,352</u>	<u>644,374</u>

## 5. LOSS BEFORE TAX

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

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Cost of properties sold	<b>12,502,613</b>	38,304,612
Cost of services provided	<b>51,480</b>	49,064
Impairment losses recognised for properties under development	<b>1,742,961</b>	1,512,421
Impairment losses recognised for completed properties held for sale	<b>927,097</b>	289,251
Impairment losses written off for completed properties held for sale	<b>(821,108)</b>	(1,380,417)
Depreciation of property, plant and equipment	<b>10,335</b>	9,591
Depreciation of right-of-use assets	<b>765</b>	4,981
Amortisation of other intangible assets	<b>2,861</b>	771
Lease payments not included in the measurement of lease liabilities	<b>6,124</b>	14,684
Auditor's remuneration	<b>3,600</b>	3,800
Employee benefit expense (including directors' and chief executive's remuneration:		
Wages and salaries	<b>360,823</b>	486,546
Pension scheme contributions and social welfare	<b>78,590</b>	109,573
Equity-settled share option expenses	<b>456</b>	1,295
Foreign exchange differences, net	<b>(349,905)</b>	69,592
Impairment losses on financial assets, net	<b>558,865</b>	191,727
Changes in provision for financial guarantee contracts	<b>(151,221)</b>	19,545
Loss on disposal and deconsolidation of subsidiaries	<b>1,050,209</b>	521,629
Loss on disposal of joint ventures and associates	<b>167,166</b>	483,905
Loss on disposal of items of property, plant and equipment	<b>1</b>	81

## 6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong is not liable for income tax as it did not have any assessable profits arising in Hong Kong during the reporting period.

Subsidiaries of the Group operating in Chinese Mainland are subject to the PRC corporate income tax with a tax rate of 25% for the reporting period.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Chinese Mainland tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC corporate income tax	<b>171,638</b>	610,887
PRC LAT	<b>717,545</b>	198,879
Deferred tax	<b>19,145</b>	676,825
	<u>          </u>	<u>          </u>
Total tax charge for the year	<b><u>908,328</u></b>	<b><u>1,486,591</u></b>

The share of tax attributable to joint ventures and associates amounting to tax credit of RMB42,700,000 (2024: tax credit of RMB40,564,000) and tax credit of RMB132,374,000 (2024: tax charge of RMB90,124,000), respectively, is included in “Share of profits and losses of joint ventures and associates” in the consolidated statement of profit or loss.

## 7. DIVIDENDS

The Board does not recommend a final dividend for the year ended 31 December 2025 (2024: Nil).

## 8. 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 ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,264,354,893 (2024: 3,693,842,564) in issue during the year.

The calculation of the diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares into ordinary shares. The Company’s dilutive potential ordinary shares are derived from the shares granted under the share option and convertible bonds.

The calculation of the basic loss per share amounts is based on:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>(4,077,530)*</u>	<u>(2,427,358)*</u>
	<b>Number of shares</b>	
	2025	2024
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>4,264,354,893*</u>	<u>3,693,842,564*</u>
Effect of dilution — weighted average number of ordinary shares:		
— Share options	N/A*	N/A*
— Convertible bonds	<u>N/A*</u>	<u>N/A*</u>
<b>Total</b>	<u><b>4,264,354,893</b></u>	<u>3,693,842,564</u>

\* No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of dilution as (i) the calculation of diluted loss per share for the year ended 31 December 2025 does not assume the exercise of the Company's convertible bonds since their assumed exercise would result in a decrease in loss per share; and (ii) the calculation of diluted loss per share for the years ended 31 December 2025 and 2024 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares for the years ended 31 December 2025 and 2024.

## 9. TRADE RECEIVABLES

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	<u>27,518</u>	<u>11,893</u>

Trade receivables mainly represent rentals receivable from tenants. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values. An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Less than 1 year	<u><b>27,518</b></u>	<u>11,893</u>

Receivables that were not past due relate to a large number of diversified customers for whom there was no recent history of default.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Based on the evaluation on the expected loss rate and the gross carrying amount, the directors of the Company are of the opinion that the expected credit losses in respect of these balances are immaterial, and therefore, there has not been a loss allowance provision.

#### **10. 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:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Less than 1 year	<b>4,496,697</b>	5,791,773
Over 1 year	<u><b>16,952,638</b></u>	<u>17,294,168</u>
	<u><b>21,449,335</b></u>	<u>23,085,941</u>

Trade and bills payables are unsecured, interest-free and are normally settled based on the progress of construction. As at 31 December 2025, commercial acceptance bills of approximately RMB149,180,000 (2024: RMB205,414,000) issued by the Company's subsidiaries were overdue and unpaid.

The fair values of trade and bills payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

## **CHAIRMAN'S STATEMENT**

Dear Shareholders,

I am pleased to present to you the business review of the Group for the year ended 31 December 2025 and its outlook for 2026.

### **DIVIDEND**

The Board resolved that no final dividend would be declared for the year ended 31 December 2025.

### **FINAL RESULTS**

For the year ended 31 December 2025, the Group's recognized revenue amounted to RMB12.27 billion, representing a year-on-year decrease of 69.1%. Taking into account the impairment losses on various assets, fair value losses from the valuation of investment properties and foreign exchange gain, the Group recorded a loss attributable to owners of the Company of approximately RMB4.08 billion for the year ended 31 December 2025, as compared to a loss attributable to owners of the Company of approximately RMB2.43 billion for the previous year.

### **REVIEW OF 2025**

#### **Market review**

Looking back on 2025, the global economy continued its difficult recovery in a complex environment. High interest rates persist, and while trade and tariff disputes have eased somewhat, ongoing geopolitical conflicts in many regions — along with the outbreak of war in the Middle East — caused oil prices to surge and reignited concerns about inflation, further increasing global economic uncertainty, further increasing global economic uncertainty. Given the impact of external environmental changes deepen, and the contradiction between high supply and weak demand become more prominent domestically, China's macroeconomy also faces numerous challenges. Despite these headwinds, China's GDP growth in 2025 remained around 5%, maintaining a stable growth, demonstrating that the conditions and basic trend for supporting long-term economic improvement remain unchanged.

While China's real estate market remains stable overall, it still faces multiple pressures, particularly the persistent difficulties faced by private-owned developers in financing and property sales. In 2025, the government continued to introduce a series of supportive policies, including incorporating stabilizing the housing market into the framework of policies to boost consumption, lifting purchase restrictions, lowering down payment ratios and mortgage interest rates, increasing housing provident fund loan limits, expanding the whitelist for developers seeking financing, and the People's Bank of China cutting interest rates and reserve requirements. This multi-departmental coordinated implementation of a series of real estate policies demonstrates the government's continued and firm determination to support the overall economy and the real estate industry. However, market confidence remains insufficient, the overall real estate industry's operating environment will remain harsh. It is expected the recovery of China real estate industry will take a long time.

Operating under the current rigorous industry environment, the Group adopted decisive measures and adhered to its strategies. The Group has continued to strengthen its operational control and efficiency, lower its operating costs, secure property delivery and financial stability, and maintain its operating solvency, thereby demonstrating resilience in its business operations.

The Group (including its joint ventures and associates) achieved contracted sales of approximately RMB12.07 billion in 2025, representing a year-on-year decrease of approximately 33%.

### **Property delivery**

In order to ensure smooth property delivery, the Group strengthened its construction and contractor management, maintained tight control of the property delivery process and mitigated delivery risks.

During 2025, the Group (including its joint ventures and associated companies) completed the delivery of approximately 27,000 property units. The Group achieved its position as Top 15 amongst Chinese real estate developers in terms of number of units delivered in 2025, according to data published by EH Consulting.

### **Land-banking**

Due to the continued uncertainty of the Chinese real estate sector, the Group did not make any new purchases of land sites in 2025. As at 31 December 2025, the Group (together with its joint ventures and associates) had a land bank with a total GFA (including sold GFA) of approximately 18.1 million sq.m., covering five core economic regions of China.

### **Liability management**

As the industry has been challenged by adverse liquidity and financing situations since mid-2021, the Group has implemented decisive measures accelerating sales and cash collection, lowering cost and enhancing operating efficiency, halt of land banking and controlling interest-bearing debts, and achieved a stable financial status to enable prompt property delivery, stable operations and onshore financing.

The Group's total interest-bearing debts were deleveraged and controlled at approximately RMB17.70 billion as at 31 December 2025 (out of which onshore interest-bearing debts amounted to approximately RMB9.36 billion whereas offshore interest-bearing debts amounted to approximately RMB8.34 billion). Due to the current market condition, the liquidity of the Group is constrained. The aggregate cash and bank balances (including restricted cash and pledged deposits) of the Group was approximately RMB3.33 billion as at 31 December 2025. Under the current strict requirement of local government policies, a significant portion of the Group's cash is held in designated project-level bank accounts as pre-sale cash escrow to ensure the completion of properties under development.

With respect to its onshore debts, as at 31 December 2025, most of the Group's onshore interest-bearing debts were loans with project pledges. The Group has been proactively working with onshore banks and lending institutions to extend the maturity at due dates of such onshore loans, and believes that the maturity risk of onshore loans would be manageable.

With respect to its offshore debts, the Company completed a series of liability management exercises, including by way of a scheme of arrangement in Hong Kong which was consummated in March 2024, to effectively extend the maturity profile of offshore indebtedness. In the absence of a sharp recovery in the market and a resurgence of various financing options, the Company remains cautious about its liquidity in the near term. The Group implemented measures to mitigate the challenges from adverse industry conditions, including through accelerating sales and cash collection. As part of these efforts, the Company conducted a consent solicitation on its offshore debts in June 2025 to improve its financial condition and stability, extend its debt maturity profile, lower its financial cost, strengthen its balance sheet and improve cash flow management, which alleviated the Company from pressure of its offshore indebtedness.

## **OUTLOOK FOR 2026**

Despite lingering market uncertainties, China's economic growth is expected to remain stable in 2026; however, compared to the pre-pandemic level of activity, growth momentum will still be insufficient. Regarding real estate policy, it is believed that the government will continue to moderately provide supportive policies to promote reasonable housing demand. The Central Economic Work Conference (CEWC) in December 2025 explicitly stated the need to "focus on stabilizing the real estate market," implementing city-specific policies to control new supply, reduce inventory, and optimize supply, encouraging the acquisition of existing property inventory for the purpose of affordable housing, and accelerating the development of new models for property development. In March 2026, National People's Congress (NPC) and China People's Political Consultative Conference (CPPCC) reaffirmed the direction of the CEWC, which indicates that future policies will prioritize stability and provide support to the market.

Looking ahead to 2026, it is anticipated that the Chinese government will focus on stabilizing employment, businesses, markets, and overall expectations, aiming to promote effective qualitative improvement and reasonable quantitative growth in the economy, maintain social harmony and stability, and ensure a strong start to the "15th Five-Year Plan." In terms of policy orientation, the focus will be on seeking progress while maintaining stability, and improving quality and efficiency. A moderately loose monetary policy will continue to be implemented. Against this backdrop, although challenges remain in the short to medium term, the industry is expected to recover in the long term, guided by policy. The Group will closely monitor market changes, flexibly adjust its strategies, and seize policy opportunities. The Group will continue to emphasize financial safety, maintain operating liquidity, stabilize debt, control risks, ensure smooth delivery, save costs, strengthen organizational structure and improve management efficiency to ensure that the Group can navigate the industry challenges.

## **APPRECIATION**

On behalf of the Board, I would like to express our sincere appreciation to all employees for their dedication and hard work, and to our Shareholders, business and financial partners for their continuous support in the past challenging year.

**YANG Jian**

*Chairman*

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **PROPERTY DEVELOPMENT**

#### **Contracted sales**

During the year ended 31 December 2025, the Group (including its joint ventures and associates) achieved contracted sales of approximately RMB12.07 billion, representing a year-on-year decrease of approximately 32.7%. Contracted sales area amounted to approximately 1,159,000 sq.m., representing a year-on-year decrease of approximately 31.0%.

During the year, contracted ASP was approximately RMB10,400 per sq.m..

#### **Completed properties held for sale**

Completed properties held for sale represents completed GFA remaining unrecognised at the end of each reporting period and are stated at the lower of cost and net realisable value. Cost of the completed properties held for sale refers to the related costs incurred attributable to the unsold properties. All completed properties held for sale are located in the PRC.

As at 31 December 2025, the Group's completed properties held for sale was approximately RMB15,625.3 million, versus approximately RMB17,049.9 million as at 31 December 2024.

#### **Projects under development**

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost, which comprises land costs, construction costs, capitalised interests and other costs directly attributable to such properties incurred during the development period, and net realisable value. Upon completion, the properties are transferred to completed properties held for sale.

As at 31 December 2025, the Group's properties under development was approximately RMB29,342.4 million, versus approximately RMB41,854.9 million as at 31 December 2024.

#### **Land bank**

During the year ended 31 December 2025, there was no new land sites acquired by the Group.

As at 31 December 2025, the Group's (including its subsidiaries, joint ventures and associates) total land bank (including carparks) was approximately 18.1 million sq.m., among which approximately 5.8 million sq.m. were completed properties available for sale/leasable and approximately 12.3 million sq.m. were under development or for future development.

## FINANCIAL REVIEW

### Revenue

During the year ended 31 December 2025, the Group derived its revenue from three business lines, namely (i) sales of properties; (ii) other services; and (iii) rental income from property lease. The revenue of the Group was primarily derived from the sales of properties in the PRC. The following table sets forth the details of the Group's revenue recognised by business lines for the years indicated:

	For the year ended		Change in percentage %
	31 December 2025 RMB'000	2024 RMB'000	
<b>Revenue</b>			
Sales of properties	<b>12,182,018</b>	39,457,318	-69.1%
Other services	<b>72,427</b>	207,685	-65.1%
Rental income	<b>17,920</b>	16,868	6.2%
<b>Total</b>	<b><u>12,272,365</u></b>	<b><u>39,681,871</u></b>	<b><u>-69.1%</u></b>
Recognised GFA (in sq.m.)	<b>1,361,854</b>	3,756,818	
Recognised ASP (in RMB/sq.m.)	<b><u>8,945</u></b>	<b><u>10,503</u></b>	

### Revenue recognised from sales of properties

The Group recorded revenue from the sales of properties amounted to approximately RMB12,182.0 million for the year ended 31 December 2025, a year-on-year decrease of approximately 69.1%, and recognised a year-on-year decrease in the total recognised GFA by approximately 63.7% to 1,361,854 sq.m. for the year ended 31 December 2025. Recognised ASP was approximately RMB8,945 per sq.m. in the year ended 31 December 2025 versus approximately RMB10,503 per sq.m. in the previous year.

### Cost of sales

The Group's cost of sales decreased by approximately 62.9% from approximately RMB38,774.9 million for the year ended 31 December 2024 to approximately RMB14,403.0 million for the year ended 31 December 2025. Net impairment losses recognised for properties under development and completed properties held for sale of approximately RMB1,849.0 million were included in cost of sales for the year ended 31 December 2025, as compared to approximately RMB421.3 million for the previous year.

## **Gross (loss)/profit**

For the year ended 31 December 2025, the Group's gross loss was approximately RMB2,130.7 million, representing a decrease of approximately RMB3,037.6 million as compared with the gross profit of approximately RMB906.9 million for the year ended 31 December 2024. Decrease in gross profit was mainly due to a combination of decreased sales revenue, lower gross profit margin recorded and the provision for property impairment made by the Group during the year.

For the year ended 31 December 2025, the Group's gross profit margin was approximately  $-17.4\%$ , representing a significant decrease as compared to approximately  $2.3\%$  for the year ended 31 December 2024.

## **Other income and gains**

The Group's other income and gains primarily include (i) gain from modification of senior notes and convertible bonds; (ii) net fair value gains on derivative financial instruments; (iii) government grants; (iv) forfeiture of deposits; and (v) others, which mainly include sundry income. The Group's other income and gains increased by approximately  $79.4\%$  from approximately RMB998.4 million for the year ended 31 December 2024 to approximately RMB1,791.5 million for the year ended 31 December 2025, primarily attributable to the gains from the modification of senior notes and convertible bonds and net fair value change on derivative financial instruments.

## **Selling and distribution expenses**

The Group's selling and distribution expenses decreased year-on-year by approximately  $21.2\%$  to approximately RMB308.0 million for the year ended 31 December 2025, primarily due to the slow-down in marketing activities and less promotional expenses budget due to the impact of a weakened real estate market.

## **Administrative expenses**

The Group's administrative expenses decreased year-on-year by approximately  $29.3\%$  to approximately RMB552.4 million for the year ended 31 December 2025. The decrease was primarily due to the savings in staff costs and management consultancy fees during the year. The Group continued to strengthen cost control measures.

## **Other expenses and other net losses**

The Group incurred other expenses of approximately RMB1,380.5 million for the year ended 31 December 2025, as compared to approximately RMB1,393.9 million for the year ended 31 December 2024.

The Group recorded an aggregate of other net losses of approximately RMB617.2 million including fair value losses on investment properties and net fair value/impairment losses on financial assets for the year ended 31 December 2025, as compared to an aggregate of other net losses of approximately RMB309.5 million for the previous year. The change was mainly due to the increase in impairment losses on financial assets at fair value through profit or loss during the year.

### **Finance income**

The Group's finance income, which mainly represents bank interest income, decreased year-on-year by approximately 60.6% to approximately RMB11.4 million for the year ended 31 December 2025.

### **Finance costs**

The Group's finance costs increased year-on-year by approximately 76.5% to approximately RMB1,137.4 million for the year ended 31 December 2025.

The Group's total finance costs expensed and capitalised for the year ended 31 December 2025 was approximately RMB1,504.3 million, representing a year-on-year decrease of approximately 26.7%.

### **Share of profits/losses of joint ventures and associates**

The Group recorded share of losses of joint ventures of approximately RMB170.8 million for the year ended 31 December 2025, versus share of losses of joint ventures of approximately RMB162.3 million for the year ended 31 December 2024.

The Group recorded share of losses of associates of approximately RMB529.5 million for the year ended 31 December 2025, versus share of profits of associates of approximately RMB360.5 million for the year ended 31 December 2024.

On an aggregated basis, the Group's share of losses of joint ventures and associates amounted to approximately RMB700.3 million for the year ended 31 December 2025, versus share of losses of joint ventures of approximately RMB198.2 million for the year ended 31 December 2024. This was mainly attributable to the decrease in revenue and operating profit of the Group's joint ventures and associates and an increase in impairment provisions made on the properties projects in which the Group accounted for the share of results of joint ventures and associates using the equity method during the year compared to the previous year.

### **Loss before tax**

As a result of the aforementioned changes in the Group's financials, the Group recorded a loss before tax of approximately RMB5,023.5 million for the year ended 31 December 2025, as compared to a loss before tax of approximately RMB1,388.0 million for the year ended 31 December 2024.

## **Income tax expense**

The Group's income tax expense comprises provisions made for corporate income tax and land appreciation tax in the PRC plus deferred tax during the year. The Group's income tax expense decreased by approximately 38.9% from approximately RMB1,486.6 million for the year ended 31 December 2024 to approximately RMB908.3 million for the year ended 31 December 2025.

## **Loss for the year and net loss attributable to the owners of the Company**

As a result of the aforementioned changes in the Group's financials, the Group's net loss for the year (before deducting non-controlling interests) increased by approximately 106.4% from approximately RMB2,874.6 million for the year ended 31 December 2024 to approximately RMB5,931.9 million for the year ended 31 December 2025. The Group's loss for the year attributable to owners of the Company increased by approximately 68.0% from approximately RMB2,427.4 million for the year ended 31 December 2024 to approximately RMB4,077.5 million for the year ended 31 December 2025.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

The industry in which the Group engages is a capital-intensive industry. The Group primarily meets its operating capital, capital expenditure and other capital needs with cash generated from operations including proceeds from sale and pre-sale of properties, proceeds from bank and other borrowings, capital contribution from non-controlling shareholders and other financings.

### **Net current assets**

As at 31 December 2025, the Group's net current assets amounted to approximately RMB7,300.1 million (31 December 2024: approximately RMB14,918.4 million). Specifically, the Group's total current assets decreased by approximately 16.8% from approximately RMB116,941.2 million as at 31 December 2024 to approximately RMB97,335.9 million as at 31 December 2025. The Group's total current liabilities decreased by approximately 11.8% from approximately RMB102,022.8 million as at 31 December 2024 to approximately RMB90,035.8 million as at 31 December 2025. The decrease in the Group's net current assets was primarily attributable to (i) the decrease in properties under development; and (ii) the decrease in cash and bank balances as at 31 December 2025.

### **Cash position**

The Group's cash and bank balances (including restricted cash and pledged deposits) amounted to approximately RMB3,328.2 million in aggregate as at 31 December 2025 (31 December 2024: approximately RMB5,740.5 million), representing a decrease of approximately 42.0% as compared with the end of 2024. Under the current strict requirement of local government policies, the majority of the Group's cash is subject to strict pre-sale cash escrow arrangements, being deposited in designated project-level bank accounts to ensure the completion of properties under development.

### **Indebtedness**

As at 31 December 2025, the Group had total outstanding indebtedness of approximately RMB17,699.1 million (31 December 2024: approximately RMB20,250.7 million), comprising bank and other borrowings of approximately RMB9,674.5 million (31 December 2024: approximately RMB11,162.2 million), senior notes of approximately RMB7,680.2 million (31 December 2024: approximately RMB8,659.4 million), and convertible bonds of approximately RMB344.4 million (31 December 2024: approximately RMB429.1 million).

*Table: Breakdown of the Group's total indebtedness*

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current</b>		
Bank loans		
— secured	<b>1,588,281</b>	1,156,911
Other loans		
— secured	<b>2,104,668</b>	1,445,594
— unsecured	<b>1,115,545</b>	689,562
Current portion of long-term bank loans		
— secured	<b>1,814,822</b>	2,584,728
Current portion of long-term other loans		
— secured	<b>1,101,120</b>	1,518,869
— unsecured	<b>45,000</b>	331,988
Senior notes	<b>—</b>	452,598
Convertible bonds	<b>344,403</b>	429,137
<b>Total current indebtedness</b>	<b><u>8,113,839</u></b>	<b><u>8,609,387</u></b>
<b>Non-current</b>		
Bank loans		
— secured	<b>1,326,072</b>	1,770,951
Other loans		
— secured	<b>254,000</b>	1,201,219
— unsecured	<b>325,016</b>	462,430
Senior notes	<b>7,680,193</b>	8,206,755
<b>Total non-current indebtedness</b>	<b><u>9,585,281</u></b>	<b><u>11,641,355</u></b>
<b>Total indebtedness</b>	<b><u>17,699,120</u></b>	<b><u>20,250,742</u></b>
Secured	<b>16,213,559</b>	18,766,762
Unsecured	<b>1,485,561</b>	1,483,980
<b>Total indebtedness</b>	<b><u>17,699,120</u></b>	<b><u>20,250,742</u></b>

*By fixed or variable interest rates*

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Fixed interest rate	15,303,991	17,518,190
Floating interest rate	<u>2,395,129</u>	<u>2,732,552</u>
<b>Total Indebtedness</b>	<b><u>17,699,120</u></b>	<b><u>20,250,742</u></b>

*By currency denomination*

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Denominated in RMB	9,364,637	10,869,837
Denominated in US\$	<u>8,334,483</u>	<u>9,380,905</u>
<b>Total Indebtedness</b>	<b><u>17,699,120</u></b>	<b><u>20,250,742</u></b>

*By maturity profiles*

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Bank loans repayable:</b>		
— Within one year or on demand	3,403,103	3,741,639
— In the second year	240,987	1,581,051
— In the third to fifth year, inclusive	<u>1,085,085</u>	<u>189,900</u>
	<b><u>4,729,175</u></b>	<b><u>5,512,590</u></b>
<b>Other borrowings repayable:</b>		
— Within one year or on demand	4,366,333	3,986,013
— In the second year	—	1,172,219
— In the third to fifth year, inclusive	<u>579,016</u>	<u>491,430</u>
	<b><u>4,945,349</u></b>	<b><u>5,649,662</u></b>

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Senior notes repayable:</b>		
— Within one year	—	452,598
— In the second year	—	905,196
— In the third to fifth year, inclusive	<u>7,680,193</u>	<u>7,301,559</u>
	<u><b>7,680,193</b></u>	<u><b>8,659,353</b></u>
<b>Convertible bonds repayable:</b>		
— Within one year or on demand	<u>344,403</u>	<u>429,137</u>
<b>Total Indebtedness</b>	<u><b>17,699,120</b></u>	<u><b>20,250,742</b></u>

### **Pledge of assets**

As at 31 December 2025, the Group's borrowings were secured by the Group's assets of approximately RMB16,906.1 million (31 December 2024: approximately RMB38,973.9 million) which includes properties under development.

### **Financial risks**

The Group's activities are exposed to a variety of financial risks. Generally, the Group introduces conservative strategies on its risk management and did not use any derivatives or other instruments for hedging purposes during the year under review.

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. In addition, the Group has foreign currency exposures from its cash and cash equivalents, bank and other borrowings, senior notes, convertible bonds and derivative financial instruments. The Group has not entered into any foreign currency hedging arrangement. However, the Group will closely monitor its exposure to exchange rates in order to best preserve the Group's cash value. The Group's interest-bearing bank and other borrowings are also exposed to risk for changes in market interest rates. The Group has not used derivative financial instruments to hedge any interest rate risk.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings, senior notes and convertible bonds. Cash flows are closely monitored on an ongoing basis.

The Group will continue to explore different means to generate cashflow in order to improve the overall liquidity of the Group and to settle its remaining outstanding debts, including but not limited to: (i) actively communicate with banks to secure relevant project development loans for qualified project development in a timely manner; (ii) seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures; (iii) focus on accelerating the sales of properties based on its business plans; (iv) implement measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and (v) seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

## **CONTINGENT LIABILITIES**

### **Mortgage guarantees**

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to those banks. Under such arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within half a year to two years after the purchasers take possession of the relevant properties.

The total outstanding mortgage guarantee amount provided by the Group to banks amounted to approximately RMB4,073.1 million as at 31 December 2025 (31 December 2024: approximately RMB17,516.6 million).

The Group did not incur any material losses during the year in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The Directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

### **Financial guarantees**

As at 31 December 2025, the Group guaranteed certain of the bank and other borrowings made to its joint ventures and associates up to RMB4,386.9 million (31 December 2024: approximately RMB4,644.9 million).

## **Legal contingents**

The Group may be involved in lawsuits and other proceedings in its ordinary course of business from time to time. Save as disclosed in this announcement, the Group believes that no liabilities resulting from these proceedings will have a material and adverse effect on its business, financial condition or operating results.

## **COMMITMENTS**

As at 31 December 2025, the Group's property development expenditures, acquisition of land use rights and capital contributions payable to joint ventures and associates that had contracted but yet provided for were approximately RMB10,214.4 million (31 December 2024: approximately RMB13,840.2 million).

## **OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS**

Except for the contingent liabilities disclosed above, as at 31 December 2025, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, other than those carried out under the Group's ordinary course of business, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Group for other material investments or additions of capital assets during the year ended 31 December 2025.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2025, the Group employed a total of 1,515 full-time employees (31 December 2024: 2,150). For the year ended 31 December 2025, the staff cost recognised as expenses of the Group amounted to approximately RMB439.9 million (31 December 2024: approximately RMB597.4 million). The Group offers its employees market-level remuneration packages that include basic salaries, discretionary bonuses, performance-based payments, share options and share awards.

## **CORPORATE GOVERNANCE**

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

The Company has adopted and applied the Corporate Governance Code as its own code on corporate governance and, to the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code for the year ended 31 December 2025. Further information about the corporate governance practices of the Company will be set out in the annual report of the Company for the year ended 31 December 2025.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the guidelines for the Directors' dealings in the securities of the Company since the Listing. In response to specific enquiry made by the Company, all Directors confirmed that they have complied with the Model Code for the year ended 31 December 2025.

### **AUDIT COMMITTEE**

The Company has established the audit committee with written terms of reference in compliance with the applicable Listing Rules and the Corporate Governance Code. As at the date of this announcement, the audit committee comprises three members, namely Mr. AU YEUNG Po Fung, Mr. WANG Kaiguo and Mr. WU Xiaobo. The chairman of the audit committee is Mr. AU YEUNG Po Fung, who possesses appropriate professional qualifications.

The audit committee has reviewed and discussed the annual results for the year ended 31 December 2025.

### **SCOPE OF AUDITOR'S WORK ON ANNOUNCEMENT OF ANNUAL RESULTS**

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, Certified Public Accountants of Hong Kong ("ZHONGHUI ANDA"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by ZHONGHUI ANDA in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA on the preliminary announcement.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is the extract of the independent auditor’s report from the external auditor of the Company:

### **Disclaimer of opinion**

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

### **Basis for disclaimer of opinion**

#### ***Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the consolidated financial statements***

The Group has completed the consent solicitation for the senior notes and the convertible bonds (the “**amended offshore debts**”) to amend the terms of the indenture of the senior notes and the convertible bonds to (i) extend the maturity date and mandatory redemption dates of the senior notes and the convertible bonds; (ii) adjust interest payment arrangement and (iii) adjust the conversion notice deposit window of the convertible bonds during the year ended 31 December 2025, the amended offshore debts have longer maturity date which partially relieved the Group’s liquidity pressure, however, as set out in note 2.1 to the consolidated financial statements, the Group recorded a net loss of RMB5,931,861,000 for the year ended 31 December 2025. As at 31 December 2025, the Group’s total interest-bearing bank and other borrowings and senior notes and host debt of convertible bonds amounted to RMB17,699,120,000, out of which RMB8,113,839,000 will be due for repayment within the next twelve months (including other interest-bearing bank and other borrowings of RMB4,803,876,000 which had not been repaid according to their scheduled repayment dates), while its cash and cash equivalents amounted to RMB1,324,262,000. As at 31 December 2025, the default of certain interest-bearing bank and other borrowings triggered certain long term interest-bearing bank and other borrowings amounting to RMB200,000,000 becoming repayable on demand. The aforesaid conditions, together with other matters set out in note 2.1 to the consolidated financial statements, indicate the existence of material uncertainties which cast significant doubt on the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group’s liquidity and financial position, which are set out in note 2.1 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties including whether the Company can (i) successfully negotiate with the Group’s existing debt holders for the renewal or extension for repayment of the Group’s bank and other borrowings; (ii) successfully

secure project development loans for qualified project development in a timely manner; (iii) successfully obtain additional new sources of financing as and when needed; (iv) successfully carry out the Group's business strategy plan including the acceleration of the sales of properties; (v) successfully implement measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; (vi) successfully manage the payments to construction contractors and other development vendors; and (vii) successfully dispose of the Group's equity interests in project development companies when suitable. In respect of the plans and measures, (i) to (iii), we were advised by management that no written contractual agreements from debt holders or banks are available to the Group, in respect of the plans and measures (iv) to (vii), we were advised by management that the plans and measures are still in progress and no sufficient appropriate audit evidence can be obtained to evaluate the implementation of these plans and measures. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to implement the above plans and measures on a timely basis for applying the going concern basis of preparing the consolidated financial statements.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate evidence we considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

The Company and its subsidiaries have not purchased, sold, or redeemed any of the listed securities (including sales of treasury shares) of the Company during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed above, the Group had no significant events occurred which have material impact on the performance of the Group after the year ended 31 December 2025 and up to the date of this announcement.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

## **AGM AND CLOSURE OF REGISTER OF MEMBERS**

The 2026 AGM will be convened and held on Thursday, 11 June 2026. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website and disseminated to the Shareholders in accordance with the requirements of the Listing Rules in due course. For the purpose of determining the Shareholders' eligibility to attend, speak and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 8 June 2026 to Thursday, 11 June 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the 2026 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 5 June 2026.

## **THE BOARD OF DIRECTORS**

As at the date of this announcement, the Board consists of eight Directors. The executive Directors are Mr. YANG Jian, Mr. CHEN Hongliang, Mr. ZHAO Peng, Mr. YEUNG Tak Yip and Ms. HU Hui; and the independent non-executive Directors are Mr. WANG Kaiguo, Mr. WU Xiaobo and Mr. AU YEUNG Po Fung.

## **PUBLICATION OF ANNUAL RESULTS**

This announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the website of the Company at [www.zldcgroup.com](http://www.zldcgroup.com). The Company's 2025 annual report will be published on the aforementioned websites in due course. Printed copies of the annual report will be made available to shareholders of the Company upon request.

## **FORWARD LOOKING STATEMENTS**

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "anticipate", "expect", "intend", "may", "will" or "should" or, in each case, their negative, or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industry in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations,

financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

By Order of the Board  
**Zhongliang Holdings Group Company Limited**  
**Yang Jian**  
*Chairman*

Hong Kong, 27 March 2026

## GLOSSARY AND DEFINITION

“AGM”	annual general meeting of the Company
“ASP”	average selling price
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China
“Contracted sales”	the total contractual value of properties that are contracted for pre-sale and sale in a given period, which is not equivalent to the revenue in the relevant period and shall not be deemed as an indication for the revenue to be recognised in any future period. Contracted sales data is unaudited, provided for investors’ for reference only and may be subject to various uncertainties during the process of collating such sales information
“Corporate Governance Code”	the Corporate Governance Code as set out in Part 2 to Appendix C1 to the Listing Rules, as amended from time to time
“Directors”	director(s) of the Company
“GFA”	gross floor area
“Gross profit margin”	gross profit for the year divided by revenue for the year and multiplied by 100%
“Group”	the Company and its subsidiaries
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the People’s Republic of China
“LAT”	PRC land appreciation tax
“Listing”	the listing of the Shares on the main board of the Stock Exchange on 16 July 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Share(s)”	ordinary share(s) in the capital of the Company with the nominal value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total indebtedness”	total interest-bearing bank and other borrowings and senior notes
“Zhongliang” or “Company”	Zhongliang Holdings Group Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on th Main Board of the Stock Exchange (Stock code: 2772)

The site area information for an entire project is based on the relevant land use rights certificates, land grant contracts or tender documents, depending on which documents are available. If more than one document is available, such information is based on the most recent document available.

The figures for GFA are based on figures provided in or estimates based on the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate.