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**CHEN XING**

## **Chen Xing Development Holdings Limited**

**辰興發展控股有限公司**

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

**(Stock Code: 2286)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025; AND CHANGE OF COMPANY SECRETARY, AUTHORIZED REPRESENTATIVE AND PROCESS AGENT**

#### **FINANCIAL HIGHLIGHTS**

- For the year ended 31 December 2025 (the “**Reporting Period**”), contracted sales of the Group amounted to approximately RMB160.6 million and the corresponding contracted gross floor area (“**GFA**”) amounted to approximately 19,410 sq.m., representing a decrease of approximately 26.3% and a decrease of approximately 41.3% comparing with the same period last year, respectively;
- Revenue of the Group for the Reporting Period amounted to approximately RMB152.9 million, of which approximately RMB151.6 million was revenue from property development;
- Gross loss of the Group for the Reporting Period amounted to approximately RMB63.3 million, of which approximately RMB64.6 million was gross loss from property development;
- Net loss of the Group for the Reporting Period amounted to approximately RMB271.6 million, of which approximately RMB271.3 million was net loss attributable to owners of the parent of the Company;
- Total GFA of land bank of the Group amounted to approximately 2,116,996 sq.m. and the average cost of land bank was approximately RMB881.7 per sq.m. as at the end of Reporting Period;
- Contracted average sales price (the “**Average Sales Price**”) of the Group for the Reporting Period was approximately RMB8,274.1 per sq.m.;
- Basic loss per share of the Company for the Reporting Period was approximately RMB0.45; and
- The Board has resolved not to declare a final dividend for the year ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Chen Xing Development Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) hereby announces the audited annual results of the Group for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024.

### **Consolidated Statement of Profit or Loss**

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>REVENUE</b>	5, 6	<b>152,898</b>	1,198,596
Cost of sales		<u>(216,162)</u>	<u>(1,080,523)</u>
Gross (loss)/profit		<b>(63,264)</b>	118,073
Other income and gains	6	<b>42,694</b>	43,848
Selling and distribution expenses		<b>(23,014)</b>	(19,361)
Administrative expenses		<b>(44,979)</b>	(48,924)
(Provision on)/reversal of provision on expected credit loss on financial assets, net		<b>(685)</b>	1,356
Other expenses		<b>(66,197)</b>	(66,887)
Finance costs	7	<b>(142,550)</b>	(160,954)
Share of profits of:			
Joint ventures		<u>726</u>	<u>4,169</u>
<b>LOSS BEFORE TAX</b>	8	<b>(297,269)</b>	(128,680)
Income tax credit/(expense)	9	<u>25,640</u>	<u>(1,741)</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(271,629)</b></u>	<u>(130,421)</u>
Attributable to:			
Owners of the parent		<b>(271,250)</b>	(162,190)
Non-controlling interests		<u>(379)</u>	<u>31,769</u>
		<u><b>(271,629)</b></u>	<u>(130,421)</u>
<b>LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	10	<u><b>RMB(0.45)</b></u>	<u>RMB(0.27)</u>

## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>LOSS FOR THE YEAR</b>	<b><u>(271,629)</u></b>	<b><u>(130,421)</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation to presentation currency	<u>(1,069)</u>	<u>981</u>
Items that will not be reclassified to profit or loss:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(1,747)	(1,664)
Income tax effect	<u>437</u>	<u>416</u>
	<u>(1,310)</u>	<u>(1,248)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b><u>(2,379)</u></b>	<b><u>(267)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>(274,008)</u></b>	<b><u>(130,688)</u></b>
Attributable to:		
Owners of the parent	(273,629)	(162,457)
Non-controlling interests	<u>(379)</u>	<u>31,769</u>
	<b><u>(274,008)</u></b>	<b><u>(130,688)</u></b>

## Consolidated Statement of Financial Position

As at 31 December 2025

		<b>31 December 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>45,251</b>	48,169
Investment properties		<b>90,000</b>	96,000
Right-of-use assets		<b>1,007</b>	1,052
Properties under development		<b>243,870</b>	266,275
Intangible assets		<b>—</b>	2
Investments in joint ventures		<b>9,262</b>	8,536
Equity investment designated at fair value through other comprehensive income	<i>12</i>	<b>58,925</b>	60,672
Deferred tax assets		<b>277,424</b>	256,573
Land development cost recoverable	<i>15</i>	<b>1,632,693</b>	1,197,788
		<hr/>	<hr/>
Total non-current assets		<b>2,358,432</b>	1,935,067
<b>CURRENT ASSETS</b>			
Properties under development		<b>4,189,017</b>	4,655,403
Completed properties held for sale		<b>1,501,595</b>	1,045,640
Inventories		<b>25,702</b>	29,956
Trade receivables	<i>13</i>	<b>2,345</b>	2,184
Prepayments, other receivables and other assets	<i>14</i>	<b>387,692</b>	372,544
Land development cost recoverable	<i>15</i>	<b>—</b>	613,681
Tax recoverable		<b>65,800</b>	67,049
Pledged deposits		<b>2,705</b>	10,272
Restricted cash		<b>4,497</b>	5,656
Cash and cash equivalents		<b>104,959</b>	107,654
		<hr/>	<hr/>
Total current assets		<b>6,284,312</b>	6,910,039

## Consolidated Statement of Financial Position (Continued)

As at 31 December 2025

		<b>31 December 2025</b>	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	16	884,872	863,299
Other payables and accruals		1,200,420	996,729
Contract liabilities		2,788,418	2,809,156
Interest-bearing bank and other borrowings	17	2,575,796	2,700,496
Tax payable		89,098	106,878
		<u>7,538,604</u>	<u>7,476,558</u>
<b>Total current liabilities</b>		<b>7,538,604</b>	<b>7,476,558</b>
<b>NET CURRENT LIABILITIES</b>		<b>(1,254,292)</b>	<b>(566,519)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,104,140</b>	<b>1,368,548</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	17	41,900	30,000
Deferred tax liabilities		45,530	47,030
Other payables		63,400	63,500
		<u>150,830</u>	<u>140,530</u>
<b>Total non-current liabilities</b>		<b>150,830</b>	<b>140,530</b>
<b>Net assets</b>		<b>953,310</b>	<b>1,228,018</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital		4,855	4,855
Reserves		787,605	1,065,207
		<u>792,460</u>	<u>1,070,062</u>
<b>Non-controlling interests</b>		<b>160,850</b>	<b>157,956</b>
<b>Total equity</b>		<b>953,310</b>	<b>1,228,018</b>

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 3 November 2014. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located in 18 Anning Street, Yuci District, Jinzhong City, Shanxi Province, the People's Republic of China (the "PRC").

During the Reporting Period, the Group was principally engaged in property development.

In the opinion of the directors, the ultimate controlling shareholders of the Group are Mr. Bai Xuankui and Mr. Bai Guohua.

### 2. BASIS OF PREPARATION

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

### 3. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB271,629,000 for the year ended 31 December 2025 and as at 31 December 2025, the Group had net current liabilities of approximately RMB1,254,292,000. In addition, the Group had not repaid certain bank loans according to the scheduled repayment dates, with outstanding principal, interest payable and penalty payable amounting to approximately RMB11,000,000, RMB27,346,000 and RMB1,000 respectively. Consequently, the entire principal of approximately RMB312,516,000, together with the related interest payable and penalty payable outstanding of approximately RMB27,346,000 and RMB1,000 respectively included in interest-bearing bank and other borrowings (note 17), were classified as current liabilities as at 31 December 2025.

The non-settlement of the above borrowings resulted in a cross-default of certain other borrowings that triggered the repayable on demand clause of those borrowings. Accordingly, the related principal of approximately RMB2,263,280,000 became immediately payable and was classified as current liabilities as at 31 December 2025. These events or conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the Directors have given careful consideration to the Group's future liquidity and performance and its available sources of financing in assessing the Group's ability to continue as a going concern. The Directors have prepared a working capital forecast covering a period of 18 months from the end of the reporting period ("**Forecast Period**"), and taking into accounting the following major assumptions and events:

- i. the lenders in respect of the borrowings that have the right to demand immediate repayment will not exercise their rights to request immediate repayment of the relevant loans or repayment prior to their scheduled contractual repayment dates;
- ii. the Group will be able to renew the existing borrowings that fall due during the Forecast Period;
- iii. the market conditions in which the Group operates and/or invests would not deteriorate materially from current levels; and
- iv. the Group will be able to obtain additional borrowings to finance the development of certain development projects.

As a result of the borrowings that might be subject to immediate repayment, the Group's future operating cash inflow may not be sufficient to meet the repayment schedule of borrowings and related interest payments stipulated in the loan agreements.

The Board has continuously devoted effort to resolve the liquidity issue mentioned above. In view of these circumstances and to address the issue on working capital sufficiency, the Company has taken and propose to take the following measures:

- i. the Group verbally agreed with its lenders not to enforce their rights of requesting for immediate repayment and to renew or extend the borrowings prior to their

respective maturity dates. During the year ended 31 December 2025 and up to the date of approval of these consolidated financial statements, the Directors had not received any notices or requests from lenders for early repayment of the borrowings. The Director expected that the Group would be able to renew bank and other borrowings with an aggregate outstanding principal of approximately RMB121,660,000 that are repayable within one year for another year prior to their respective maturity dates;

- ii. the Group is in active negotiations with the lenders in respect of the borrowings that have the rights to demand for immediate repayment for a debt restructuring so as to settle the borrowings by using the proceeds from new borrowing plans;
- iii. the directors of the Group have prepared a business strategy plan that mainly focuses on accelerating the pre-sales and sales of its properties under development and completed projects to generate additional operating cash inflows and strengthening efforts in the collection of trade debtors to improve the debtor's turnover days, and implementing cost control measures; and
- iv. the Company will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

Assuming the successful implementation of the above measures, the Directors are of the opinion that the Group would have sufficient working capital to finance its operation and meet its obligations as and when they fall due within the next twelve months from 31 December 2025. Accordingly, the Directors 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, the validity of the going concern assumption depends on the successful outcome of the Group's plans and measures, including (i) the successful negotiation with the lenders on the extension or deferral of the repayment of the Group's borrowings, renewal of existing borrowings upon maturity and the new borrowing plans and (ii) the successful implementation of measures described above in the normal course of businesses. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to 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 these consolidated financial statements.

## 4. CHANGES AND DISCLOSURE OF ACCOUNTING POLICIES

### 4.1 ADOPTION OF NEW OR REVISED HKFRSs EFFECTIVE 1 JANUARY 2025

In the current year, the Group has applied for the first time the following new or revised standards, amendments and interpretations (the “**new or revised HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025:

Amendments to HKAS 21	Lack of exchangeability
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None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

### 4.2 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that has been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-Dependent Electricity <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

1 Effective for annual periods beginning on or after 1 January 2026.

2 Effective for annual periods beginning on or after 1 January 2027.

3 Effective for annual periods beginning on or after a date to be determined by the HKICPA.

The Group is in the process of making an assessment of the impact of these new or revised HKFRSs upon initial application.

## 5. OPERATING SEGMENT INFORMATION

For management purposes, the Group has organised its business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment.

No geographical segment information is presented as the Group's revenue from the external customers was derived solely from its operations in the Chinese Mainland and no non-current assets of the Group were located outside the Chinese Mainland .

No information about major customers is presented as no revenue from sales to a single customer individually accounted for 10% or more of the Group's total revenue for the Reporting Period (2024: same).

## 6. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<i>Revenue from contracts with customers</i>	<b>151,596</b>	1,197,272
Gross rental income from investment property under operating leases:		
Fixed lease payments	<b>1,302</b>	1,324
	<b><u>152,898</u></b>	<u>1,198,596</u>

## Revenue from contracts with customers

### (a) *Disaggregated revenue information*

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Types of goods</b>		
Sale of properties	<u>151,596</u>	<u>1,197,272</u>
Total revenue from contracts with customers	<u><b>151,596</b></u>	<u>1,197,272</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<u>151,596</u>	<u>1,197,272</u>
Total revenue from contracts with customers	<u><b>151,596</b></u>	<u>1,197,272</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:

	<b>2025</b> <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><b>117,161</b></u>	<u>988,564</u>

### (b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

#### *Sale of properties*

The performance obligation is satisfied upon delivery of the properties and payment in advance is normally required.

The amounts of transaction prices allocated to the performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	<b>228,942</b>	226,875
After one year	<b>2,559,476</b>	2,582,281
	<b>2,788,418</b>	2,809,156

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Other income</u>		
Bank interest income	<b>61</b>	914
Deemed interest income from land development cost recoverable	<b>38,852</b>	—
Total interest income on financial assets not at fair value through profit and loss	<b>38,913</b>	914
Dividends from equity investments designed at fair value through other comprehensive income	—	5,000
Gross rental income from properties not classified as investment property	<b>2,432</b>	3,385
Gain on disposal of subsidiaries	—	33,835
Others	<b>1,349</b>	714
	<b>42,694</b>	43,848

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Interest on bank and other borrowings	<b>126,926</b>	145,515
Interest on loans from related parties	<b>22,212</b>	27,197
Interest on loans from directors	<b>8,624</b>	8,780
Accretion on contract liabilities ( <i>note a</i> )	<b>39,826</b>	100,328
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	<b>197,588</b>	281,820
Less: Interest capitalised ( <i>note b</i> )	<b>(55,038)</b>	(120,866)
	<hr/>	<hr/>
	<b>142,550</b>	160,954
	<hr/> <hr/>	<hr/> <hr/>

*Note a:* Represent adjustment to transaction price for certain transactions with significant financing component due to a significant difference between timing of cash receipt from and transfer of properties to buyers.

*Note b:* Where funds have been borrowed generally, and used for the purpose of acquisition, construction, production for qualifying assets, a capitalisation rate ranging from 3.00% to 7.20% (2024: 3.20% to 8.65%) has been applied to the expenditure on the individual assets.

## 8. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of properties sold	98,947	1,018,339
Loss on revising estimated timing of receipt of land development cost recoverable	30,082	56,407
Depreciation of property, plant and equipment	5,068	5,527
Depreciation of right-of-use assets	45	45
Amortisation of intangible assets*	2	3
Lease payments not included in the measurement of lease liabilities	611	1,361
Auditor's remuneration	2,380	2,380
Employee benefit expense (excluding directors' and chief executive's remuneration): **		
Wages and salaries	15,297	11,881
Staff welfare expenses	2,048	3,524
Pension scheme contributions	1,593	1,438
	<u>18,938</u>	<u>16,843</u>
Provision on expected credit loss on financial asset, net		
— Reversal of impairment of trade receivables	(392)	(44)
— Reversal of impairment of other receivables	(490)	(2,471)
— Impairment of land development cost recoverable	1,567	1,159
	<u>685</u>	<u>(1,356)</u>
Changes in fair value of investment properties	6,000	7,000
Foreign exchange losses/(gains), net	370	(321)
Write-down of completed properties held for sale***	70,506	39,582
Write-down of properties under development***	46,709	22,602

\* The amortisation of intangible assets is included in "Administrative expenses" in the consolidated statement of profit or loss.

\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

\*\*\* Included in the "Cost of sales".

## 9. INCOME TAX (CREDIT)/EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and the British Virgin Islands are not subject to any income tax.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax is calculated based on a tax rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the Reporting Period. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the Reporting Period (2024: nil).

The provision for Chinese Mainland current income tax is based on the statutory rate of 25% of the assessable profits of PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

According to the requirements of the provisional regulations of the PRC on the land appreciation tax (“LAT”) effective from 1 January 1994 onwards, and the detailed implementation rules on the provisional regulations of the PRC on LAT effective from 27 January 1995 onwards, all income from the sale or transfer of state-owned leasehold interests on land, buildings and their attached facilities in Chinese Mainland is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated, made and included in tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

Major components of the Group's income tax (credit)/expense are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Income tax charge	<b>3,217</b>	12,009
Over provision in prior years	<b>(9,093)</b>	(7,686)
LAT	<b>2,150</b>	1,335
Deferred tax	<b>(21,914)</b>	(3,917)
Total tax (credit)/expense for the year	<b><u>(25,640)</u></b>	<b><u>1,741</u></b>

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

The calculation of the basic losses 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 600,000,000 (2024: 600,000,000) in issue during the year, as adjusted to reflect the right issue during the year.

The calculation of basic losses per share attributable to ordinary equity holders of the parent is based on the following data:

The calculation of basic losses per share is based on:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Losses:</u>		
Loss attributable to ordinary equity holders of the parent used in the basic losses per share calculation	<b><u>(271,250)</u></b>	<b><u>(162,190)</u></b>

	<b>Number of shares</b>	
	<b>2025</b> <i>'000</i>	2024 <i>'000</i>
Weighted average number of ordinary shares in issue during the year used in the basic losses per share calculation	<b><u>600,000</u></b>	<b><u>600,000</u></b>

### Shares:

Weighted average number of ordinary shares in issue during the year used in the basic losses per share calculation

	<b><u>600,000</u></b>	<b><u>600,000</u></b>
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Diluted losses per share is the same as basic losses per share because the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 11. DIVIDENDS

The Directors resolved not to declare an interim and a final dividend for the year ended 31 December 2025 (2024: nil).

## 12. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Listed equity investment, at fair value	<u><b>58,925</b></u>	<u><b>60,672</b></u>

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

## 13. TRADE RECEIVABLES

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Trade receivables	<b>4,968</b>	5,199
Impairment	<u><b>(2,623)</b></u>	<u>(3,015)</u>
	<u><b>2,345</b></u>	<u><b>2,184</b></u>

The Group's trade receivables principally originated from its constructions materials business and its trading terms with its customers are mainly on credit. The credit period is generally one month to one year. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	<b>As at 31 December 2025 RMB'000</b>	As at 31 December 2024 RMB'000
Within 3 months	—	—
3 to 6 months	—	—
Over 6 months and less than 1 year	<u>2,345</u>	<u>2,184</u>
	<b><u>2,345</u></b>	<b><u>2,184</u></b>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>As at 31 December 2025 RMB'000</b>	As at 31 December 2024 RMB'000
At beginning of year	<b>3,015</b>	3,059
Reversal of impairment losses ( <i>note 8</i> )	<u>(392)</u>	<u>(44)</u>
At end of year	<b><u>2,623</u></b>	<b><u>3,015</u></b>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about current conditions and forecasts of future economic conditions.

## 14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

		As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Prepayments	(a)	43,399	58,369
Consideration receivables	(b)	89,697	89,697
Deposits and other receivables	(c)	155,555	134,882
Cost to obtain contracts	(d)	24,730	26,770
Due from related parties	(e)	2,482	2,269
Other tax recoverable		<u>164,534</u>	<u>153,752</u>
		480,397	465,739
Impairment	(f)	<u>(92,705)</u>	<u>(93,195)</u>
		<u><u>387,692</u></u>	<u><u>372,544</u></u>

### Notes:

- (a) The amounts mainly represent the prepayments to sub-contractors for the property construction.
- (b) On 30 October 2020, a wholly owned indirect subsidiary of the Company disposed 49% equity interests in an associate, Xishuangbanna Yunchen Real Estate Co., Ltd. to Xishuangbanna Global Sunac Tourism Development Co., Ltd. (“**Global Sunac**”) at a consideration of approximately RMB95.35 million. Global Sunac is a subsidiary of Sunac China Holdings Limited (“**Sunac China**”), which is listed in Main Board of the Hong Kong Stock Exchange Limited. Pursuant to the disposal agreement, the consideration is payable within 12 months from the date of the disposal agreement. As at 31 December 2022, amount of RMB89,697,000 was still outstanding, management of the Company are in doubt of the ability and the incentives of Sunac China Group to repay the outstanding balances and considered the possibility of recovery was remote. Therefore, a lifetime ECL (Stage 3) of RMB89,697,000 was recognised during the year ended 31 December 2022. During the year ended 31 December 2022, the Group has taken legal action against Sunac China Group for the settlement of the outstanding receivables. As at the date of this report, the case is still undergoing relevant legal proceedings. During the years ended 31 December 2025 and 2024, there is no repayment of any debt from Sunac China and the legal case is still in progress. Hence, there is no reversal of impairment or written off during these two years.
- (c) The amounts mainly represent deposits with suppliers and governments.

- (d) Cost to obtain contracts is initially recognised as an asset for revenue to be recognised upon transfer of completed properties held for sale. Included in cost to obtain contracts are sales commission and stamp duty. When the revenue from the related contract is recognised, the amount recognised as cost to obtain contracts is charged out to selling and distribution expenses and administrative expenses. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

As at 31 December 2025 and 2024, the cost to obtain contracts is expected to be recovered or settled within two years.

- (e) Due from related parties are unsecured, interest free and repayable on demand.
- (f) The movements in the loss allowance for impairment of other receivables are as follows:

	<b>As at 31 December 2025 RMB'000</b>	As at 31 December 2024 RMB'000
At beginning of year	<b>93,195</b>	95,666
Reversal of impairment losses	<b>(490)</b>	(2,471)
At end of year	<b><u>92,705</u></b>	<b><u>93,195</u></b>

Deposits and other receivables mainly represent deposits with suppliers and governments. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2025 and 2024 was assessed to be minimal.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts, except for the consideration receivables mentioned in above note (b).

## 15. LAND DEVELOPMENT COST RECOVERABLE

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Land development cost recoverable	1,635,419	1,812,628
Impairment	<u>(2,726)</u>	<u>(1,159)</u>
	<u><b>1,632,693</b></u>	<u><b>1,811,469</b></u>
Portion classified as current assets	—	613,681
Non-current portion	<u><b>1,632,693</b></u>	<u><b>1,197,788</b></u>
	<u><b>1,632,693</b></u>	<u><b>1,811,469</b></u>

During the year ended 31 December 2019, the Group entered into a contractual arrangement with a local government in the PRC and its related parties for a land development project. Land development cost recoverable represented all costs paid by the Group under the aforesaid land development contractual arrangement from 2019 to 2023 and finance costs of specific borrowing obtained for conducting the underlying land development project. Due to prolonged delay by the contracted parties, the Group has contractual right to exit from the project and to claim from a contracted party the land development cost recoverable. During the year ended 31 December 2023, the Group has exercised the aforementioned contractual right to claim the land development cost recoverable from a contracted party. The land development cost recoverable represents receivables from a local government-related party in the PRC.

In September 2024, upon the Group's negotiation with the local government, the Group received a partial settlement of land development cost recoverable. The local government communicated its plan to settle the remaining land development cost recoverable within two years. Due to the aforesaid circumstances in 2024, the Group revised its estimates of receipts of the remaining land development cost recoverable to align with the plan communicated by the local government.

During the year ended 31 December 2025, the Group received another partial settlement of land development cost recoverable. As the counterparty did not settle the remaining balance in accordance with the original settlement plan, the Group revised its estimate of the recoverable amount based on the updated settlement plan communicated with the local government and the land development cost recoverable is classified as non-current accordingly. After considered the above facts and circumstances, management considered the credit risk of the land development cost recoverable has increased since initial recognition but that are not credit-impaired.

As a result, the Group recognised a loss on revising the estimated timing of receipt of land development cost recoverable, which amounted to approximately RMB30,082,000 (2024: RMB56,407,000) and an expected credit loss allowance, which amounted to RMB1,567,000 (2024: RMB1,159,000) during the year ended 31 December 2025.

## 16. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the Reporting Period, based on the payment due date, is as follows:

	<b>As at 31 December 2025 RMB'000</b>	<b>As at 31 December 2024 RMB'000</b>
Less than 1 year	<b>128,718</b>	89,766
1 to 2 years	<b>57,228</b>	174,709
2 to 3 years	<b>141,027</b>	245,323
3 to 4 years	<b>231,870</b>	216,927
4 to 5 years	<b>211,522</b>	76,911
Over 5 years	<b>114,507</b>	59,663
	<b><u>884,872</u></b>	<b><u>863,299</u></b>

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

## 17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Bank borrowings — secured	3.00–7.20	2026	2,425,196	3.85–8.65	2025	2,546,796
Bank borrowings — unsecured	3.85–4.00	2026	150,600	3.85–6.50	2025	54,200
Other borrowings — secured	—	—	—	3.20–5.50	2025	87,500
Other borrowings — unsecured	—	—	—	15.00	2025	12,000
			<u>2,575,796</u>			<u>2,700,496</u>
<b>Non-current</b>						
Other borrowings — unsecured	3.85–15.00	2027–2028	41,900	15.00	2027	30,000
			<u>41,900</u>			<u>30,000</u>
			<u><u>2,617,696</u></u>			<u><u>2,730,496</u></u>

<b>As at</b>	<b>As at</b>
<b>31 December</b>	<b>31 December</b>
<b>2025</b>	<b>2024</b>
<b>RMB'000</b>	<b>RMB'000</b>

Analysed into:

Bank and other borrowings repayable:

On demand or within one year

In the second year

In the third to fifth years, inclusive

**2,575,796**      2,700,496

**30,000**              —

**11,900**              30,000

**2,617,696**      **2,730,496**

*Notes:*

- (a) As at 31 December 2025, the Group's bank and other borrowings are secured by:
- (i) mortgages over the Group's property under development, which had a net carrying value at the end of the Reporting Period of approximately RMB906,769,000 (2024: RMB1,543,737,000);
  - (ii) mortgages over the Group's completed properties held for sale, which had a net carrying value at the end of the Reporting Period of approximately RMB732,882,000 (2024: RMB87,401,000);
  - (iii) mortgages over the Group's property, plant and equipment, which had a net carrying value at the end of the Reporting Period of approximately RMB21,033,000 (2024: RMB23,143,000); and
  - (iv) the guarantees provided by the Company, the subsidiary of the Group, the Director of the Company and the Company's controlling shareholder.

All of the banking facilities were subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the borrowings would become repayable on demand. The Group regularly monitors its compliance with these covenants.

- (b) Pursuant to some of the Group's borrowings' agreements, any delay of the repayment in accordance of the repayment schedule will trigger the rights to request for immediate repayment, resulting in the relevant borrowings becoming repayable on demand. As at 31 December 2025, the Group failed to repay certain bank borrowings' principal, interest payable and penalty payable of an aggregate amount of approximately RMB11,000,000, RMB27,346,000 and RMB1,000 (2024: RMB12,800,000, RMB8,547,000 and RMB117,000) which causing bank loans of an aggregate principal amount of approximately RMB2,263,280,000 (2024: RMB2,273,690,000) have become repayable on demand. Hence, the entire amount of the bank borrowings became immediately payable and has been classified as current liabilities as at 31 December 2025.
- (c) None of the Group's banking facilities (including bank borrowings) are subject to the fulfillment of financial covenants as at 31 December 2025.

## 18. GUARANTEES

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Guarantees given to banks in respect of mortgage facilities granted to the purchasers of the Group's properties	<u>839,049</u>	<u>988,476</u>

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to those banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends at the execution of individual purchaser's collateral agreement.

The Group did not incur any material losses during the Reporting Period in respect of the guarantees provided for mortgage facilities granted to the purchasers of the Group's completed properties held for sale. 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.

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

The following is an extract of the independent auditor’s report on the Group’s audited 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 as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN**

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a loss of approximately RMB271,629,000 for the year ended 31 December 2025 and as of that date, the Group had net current liabilities of RMB1,254,292,000. As stated in Note 3, these conditions, along with the other matters as set forth in Note 3 indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## CHAIRMAN’S STATEMENT

*Dear Shareholders,*

On behalf of the Board, I present the annual results of the Group for the year ended 31 December 2025.

### **Review of Annual Results for 2025**

In 2025, the policy keynote for China’s real estate market remained “progress steadily while maintaining stability”, and the year 2025 was a pivotal year for the market to make a smooth transition from in-depth adjustment to a new development model. The government comprehensively promoted the high-quality development of the real estate industry and issued a series of policies covering development, financing, sales and other aspects to establish a new development model for real estate. With the construction of “high-quality housing” as the core direction of industrial transformation, the government defined a transition path from quantity growth to quality improvement. Local governments continued to strengthen targeted policies based on city-specific conditions, increasing the supply of different types of housing. First-tier cities adjusted the standards for ordinary residential housing to reduce transaction costs; most second and third-tier cities abolished housing purchase and sales restrictions, shifting the policy focus to “destocking” and “stabilisation of housing price”.

In terms of land supply, against the backdrop of cautious attitudes from both supply and demand sides, the overall transaction volume of the land market remained low in 2025. Local governments adopted a land supply strategy of “reducing volume and improving quality”, revising down residential land supply plans, especially cutting land transfers in areas with prolonged destocking cycles. Meanwhile, the structure of land supply was further optimized, with the proportion of land for affordable housings and rental housings continuing to rise. Certain hot cities launched a small number of high-quality land parcels in core areas to boost real estate enterprises’ willingness to acquire land. Real estate enterprises adopted a highly convergent investment strategy, focusing on core lots in core cities. High-quality land parcels in prime locations of first and second-tier cities still attracted bidding from multiple real estate enterprises, but the overall premium rate was kept within a rational range, with most parcels transacted at the base price or a low premium. In contrast, the land market in non-core areas and third and fourth-tier cities remained generally sluggish, and market-oriented real estate enterprises’ willingness to acquire land stayed low.

From the perspective of the real estate industry, the whole industry experienced in-depth differentiation and further increased concentration. The overall real estate industry presented three major characteristics, i.e. a mature policy framework, intensified market differentiation and deepened enterprise transformation. Leading real estate enterprises, leveraging their financing advantages and brand reputation, continued to expand their market share and became the main players in both the land and sales markets; while most private real estate enterprises were still committed to resolving debts and ensuring project delivery. In terms of business models, real estate enterprises accelerated the shift from a single “development and sales” model to a “development + operation + service” model, with intensified competition in commercial real estate, long-term rental apartments, agent construction, urban operation, etc. At the same time, the digital transformation of the industry entered a development phase, with technological empowerment running through the entire chain from design to operation. The overall market sales scale in 2025 remained flat or slightly increased year-on-year. Under the core keynote of destocking for the whole year, the new construction area and completed area both continued to decline, with prominent market differentiation. The real estate market in first-tier cities and certain core second-tier cities was active, with high-end improvement projects for new housing achieving sound destocking and housing prices remaining generally stable. Plagued by population outflow and inventory pressure, the market in third and fourth-tier cities remained sluggish, with housing prices continuing a slight downward trend. Consumers’ housing purchase behavior became highly rational, with greater focus on sales of ready housing and the actual delivery capacity of projects, and “quality” emerged as the core keyword for housing purchase decisions.

Overall, although China’s real estate industry had not yet established a solid foundation for a full recovery in 2025, it entered a new stage of healthier, more stable and high-quality development. Faced with a complex and severe external environment and profound industrial changes, the Company closely followed the government’s policy orientation. Under the leadership of the Board and the management, it timely adjusted its business strategies, rapidly transformed its development thinking, and quickly stepped into a new track centering on high-quality development. In 2025, the Company successfully built demonstration zones for “high-quality housing” construction in multiple projects, which received high recognition at the national and provincial levels and won a number of important awards.

However, as the Company’s sales market was still mainly concentrated in third and fourth-tier cities, its sales performance faced significant pressure in 2025. The real estate markets in these cities gradually stabilized on the whole after adjustments in previous years. Thanks to low inventory backlog, the new construction area remained at a low level in 2025. Although the total sales volume fell short of expectations, the overall risks were still under control.

Meanwhile, the Company continued to increase research on market demand and products for home upgrades, conducted in-depth discussions on new materials and technologies involved in the construction of “high-quality housing”, and further increased investment in green buildings and smart communities to better meet the growing market demand for high-quality residential housing. In general, despite the complex and volatile real estate market environment in 2025, the Company maintained steady operations through flexible business strategies, laying a solid foundation for future sustainable development.

During the Reporting Period, the Group’s contracted sales amounted to approximately RMB160.6 million, representing a decrease of approximately 26.3% as compared with the same period last year; the Group’s total contracted GFA amounted to approximately 19,410 sq.m., representing a decrease of approximately 41.3% as compared with the same period last year.

During the Reporting Period, the Group recorded a revenue of approximately RMB152.9 million, representing a decrease of approximately 87.2% as compared with the same period last year, among which, revenue from property development was approximately RMB151.6 million, representing a decrease of approximately 87.3% as compared with the same period last year. The net loss attributable to owners of the parent of the Group was approximately RMB271.3 million, representing an increase of approximately 67.2% as compared with the same period last year, which was mainly attributable to the significant decrease in gross profit as a result of the significant decrease in revenue from property development and an increase in write-down of completed properties held for sale and properties under development.

As at the end of the Reporting Period, the Group’s land bank was approximately 2,116,996 sq.m.

## **Final Dividend**

The Board has resolved not to declare a final dividend for the year ended 31 December 2025.

## **Prospect for 2026**

Looking ahead to 2026, on the basis of the stable operation in 2025, China's real estate market will continue to follow the positioning of "housing is for living in, not for speculation" and the keynote of high-quality development, entering a phase of in-depth regulation of the real estate industry. The government will strengthen policy and institutional construction to advance the new development model of real estate, and the overall policy environment will become more mature. Local governments will still take targeted policies based on city-specific conditions to control new supply, destocking and optimization of supply as the main starting points, explore multiple channels to revitalize existing commodity housing, and encourage the acquisition of existing commodity housing mainly for affordable housing, etc. Meanwhile, they will optimize the supply of affordable housing, accelerate urban renewal, and lower the threshold for reasonable housing purchase demand, to meet the living needs of different groups. The steady promotion of the construction of safe, comfortable, green and smart "high-quality housing" will continue, with the implementation of initiatives such as housing quality improvement projects and property service quality enhancement.

The demand for housing for home upgrades is expected to become the major driver of market sales growth in 2026. As residents' income expectations gradually stabilize and the demand for living space upgrading is released among different households, high-quality projects for home upgrades will maintain a high destocking rate. The pattern of urban differentiation will further intensify. Supported by solid industrial foundations and net population inflow, housing prices in core cities will remain stable or rise moderately; while most third and fourth-tier cities will still take destocking as the primary task. At the same time, real estate enterprises will remain cautious in land acquisition. Local governments will continue to optimize the land supply structure, proactively cut the supply of residential land in non-core areas and areas with prolonged destocking cycles, increase the proportion of high-quality land parcels transferred in core areas, and guide enterprises to build high-quality residential housing by optimizing land parcel planning conditions.

The concentration of the real estate industry will further increase in 2026, with resources continuing to gather to enterprises with strong product capabilities, sound financial conditions and outstanding operational capabilities. Enterprises will have a clearer transformation path, and more and more enterprises will adopt refined operation. Subdivided segments such as agent construction, asset management, commercial operation, urban renewal and property services will embrace greater development space.

Meanwhile, driven by the continuous advancement of the “high-quality housing” policy, the real estate industry will enter a new stage of quality development. With the constant upgrading of market demand, the real estate market will further return to “residential value”. Consumers will have a clearer definition of “high-quality housing” and keep raising their requirements for house layout design, community environment, property services and smart experience.

After five years of strategic layout, the Company has initially realized industrial transformation and upgrading and successfully stepped into the sector of housing for home upgrades. Although the industry as a whole is still in in-depth adjustment, based on forward-looking judgments on market trends, the Company will continue to adapt to market and industrial changes in 2026, focusing on destocking and expanding the market of housing for home upgrades, and continuously optimize the product structure to enhance core competitiveness. The Company will revitalize existing inventory through asset-light models, accelerate sales cash recovery, and flexibly adjust business strategies. With product quality at the core, it will polish premium projects with craftsmanship, seize the window period in the high-end improvement market, to consolidate its benchmark position in the industry and drive sustainable enterprise growth with unwavering conviction. It will implement classified management and precise destocking of corporate assets, strictly control key nodes such as project development, launch and delivery, and accelerate capital turnover with minimal capital input. Meanwhile, the Company will actively explore diversified financing channels and strategic partners to enhance the resilience of its capital chain, providing strong support for the long-term development of the Company.

As the Company has basically completed its strategic transformation and conceptual innovation, the management will continue to strengthen learning, drive the upgrading of management concepts, proactively adapt to the requirements of the market and the Company’s new development stage, and accelerate the innovation of management models and methods, to ensure a high degree of matching between the management system and strategic goals.

In the future, the Company will continue to deepen its layout in the market of high-end housing for home upgrades, and further enhance the market competitiveness of its products with the orientation of meeting consumers’ demand for high-quality living environment. It will focus on building residential projects with cutting-edge design, outstanding quality, natural integration and green livability, and actively apply new materials, new processes and intelligent technologies, to comprehensively improve building quality and residential experience. By introducing energy-saving and environmental protection technologies and materials, the Company will adapt to the green development trend of the industry. Meanwhile, the Company will explore diversified business models, strengthen brand building and service level improvement, and comprehensively enhance the overall strength of the enterprise. Leveraging industrial integration and business optimization, the Company will continue to seize market opportunities, to achieve steady development and create greater value for shareholders and customers.

## **ACKNOWLEDGMENT**

Finally, I on behalf of the Board, would like to express my sincerest gratitude to the management and all employees of the Company for their hard work. Meanwhile, I would also like to thank the investors, customers and partners for their unfailing support and trust in the Group.

**Bai Xuankui**  
*Chairman*

Jinzhong, Shanxi, the PRC  
27 March 2026

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the Reporting Period, the Group's contracted sales amounted to approximately RMB160.6 million, representing a decrease of approximately 26.3% as compared with the same period last year. During the Reporting Period, the Group's revenue amounted to approximately RMB152.9 million, representing a decrease of approximately 87.2% as compared with the same period last year, among which, revenue from property development was approximately RMB151.6 million, representing a decrease of approximately 87.3% as compared with the same period last year. During the Reporting Period, net loss of the Group amounted to approximately RMB271.6 million, of which net loss attributable to the owners of the parent of the Company was approximately RMB271.3 million.

### Contracted Sales

The Group's contracted sales for the years ended 31 December 2025 and 2024 were approximately RMB160.6 million and approximately RMB217.9 million, respectively, representing a decrease of approximately 26.3%. The total contracted GFAs for the years ended 31 December 2025 and 2024 were approximately 19,410 sq.m. and 33,070 sq.m., respectively, representing a decrease of approximately 41.3%. By geographical location, the Group's contracted sales from Jinzhong, Taiyuan, Mianyang and Haikou, were approximately RMB3.5 million, RMB24.7 million, RMB26.4 million and RMB106.0 million, respectively, representing approximately 2.2%, 15.4%, 16.4% and 66.0% of the Group's total contracted sales, respectively.

The table below sets forth the Group's contracted sales for the year ended 31 December 2025 by geographic location:

	<b>Contracted Sales for 2025</b> (RMB million)	Contracted Sales for 2024 (RMB million)	<b>Contracted GFA for 2025</b> (sq.m.)	Contracted GFA for 2024 (sq.m.)	<b>Average Contracted Sales Price for 2025</b> (RMB/sq.m.)	Average Contracted Sales Price for 2024 (RMB/sq.m.)
<b>Jinzhong</b>						
Chenxing Yijun (辰興頤郡)	3.5	21.2	784	3,553	4,453.7	5,965.4
Xin Xing International Cultural Town (新興國際文教城) (Phases III, IV and V)	—	2.0	—	372	—	5,388.0
<b>Taiyuan</b>						
Yosemite Valley Town-Taiyuan (龍城優山美郡) (Phase I)	1.6	15.9	204	1,577	7,949.8	10,106.2
Yosemite Valley Town-Taiyuan (龍城優山美郡) (Phase II)	4.5	3.6	720	750	6,316.9	4,738.1
Yosemite Valley Town-Taiyuan (龍城優山美郡) (Phase III)	18.6	24.0	3,486	5,924	5,339.8	4,047.9
<b>Mianyang</b>						
Yosemite Valley Town (優山美郡)	—	1.7	—	233	—	7,103.6
Elite Gardens (天禦)	0.1	0.1	46	88	2,715.0	1,300.2
Chang Xing Star Gardens (長興星城)	0.3	17.8	224	5,013	1,286.0	3,556.6
Chang Xing Jinhutingyuan (長興金湖庭院)	26.0	118.7	3,196	14,663	8,144.8	8,093.3
<b>Hainan</b>						
Chenxing Shangpinhui (辰興尚品匯)	67.8	3.9	6,027	138	11,252.3	28,196.2
Jiangdong Shangyuan (江東上院)	38.2	9.0	4,723	759	8,086.7	11,812.0
<b>Total</b>	<b>160.6</b>	<b>217.9</b>	<b>19,410</b>	<b>33,070</b>	<b>8,274.1</b>	<b>6,589.1</b>

Note:

Contracted Sales, Contracted GFAs and Average Contracted Sales Price in the above table also include the car parking spaces sold, if applicable.

## Property Projects

The Group's property projects fall into the following three categories by the development stage: completed properties, properties under development and properties held for future development. As some projects are developed in several phases, a single project may fall into different development stages including completed, under development and held for future development.

As at the end of the Reporting Period, the Group had a completed total GFA of approximately 3,364,119 sq.m. and a land bank with a total GFA of approximately 2,116,996 sq.m., comprising (i) a total GFA of approximately 254,536 sq.m. which is completed but unsold; (ii) a total GFA of approximately 886,621 sq.m. which is under development; and (iii) a total planned GFA of approximately 975,839 sq.m. held for future development.

The Group selectively retains the ownership of most of self-developed commercial properties with a strategic value to generate sustainable and stable revenue. As at the end of the Reporting Period, the Group had investment properties with a total GFA of approximately 21,613 sq.m.

## Property Portfolio Summary

<b>Intended use<sup>(1)</sup></b>	<b>Total GFA completed (sq.m.)</b>	<b>GFA under development (sq.m.)</b>	<b>Total GFA held for future development (sq.m.)</b>
Mid-rise	875,887	—	253,455
High-rise	1,258,097	217,042	177,444
Townhouses	78,453	118,896	171,482
Multi-story garden apartments	576,743	124,427	16,771
Retail outlets	249,744	106,908	74,162
SOHO apartments	6,931	15,984	—
Hotels	10,845	96,034	18,980
Parking spaces	300,804	187,821	245,693
Ancillary facilities <sup>(2)</sup>	6,615	19,509	17,852
<b>Total GFA</b>	<b><u>3,364,119</u></b>	<b><u>886,621</u></b>	<b><u>975,839</u></b>
<b>Attributable GFA<sup>(3)</sup></b>	<b><u>3,303,762</u></b>	<b><u>886,621</u></b>	<b><u>874,841</u></b>

Notes:

(1) Includes the portion of GFA held by the Group as public facilities (not saleable or leasable).

- (2) Includes primarily public facilities which are not saleable or leasable.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

## Completed Projects

The following table sets forth a summary of the information about the Group's completed projects and corresponding project phases, if any, as at 31 December 2025:

Project	Location	Project Type	Actual Completion Date	Site Area (sq.m.)	Completed GFA (sq.m.)	Saleable/Leasable		GFA sold (sq.m.)	Other GFA <sup>(1)</sup> (sq.m.)	Ownership Interest <sup>(2)</sup> (%)
						Remaining unsold (sq.m.)	GFA held for investment (sq.m.)			
<b>Jinzhong (晉中)</b>										
1. East Lake Mall (東湖井)	Jinzhong, Shanxi (山西省晉中市)	Retail Outlets	July 2000	1,330	17,886	—	10,610	7,276	—	100.00
2. Grand International Mall & Apartments (君豪國際)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	June 2007	7,465	65,544	9,081	8,241	48,222	—	100.00
3. Blossoms Gardens (錦綉新城)	Jinzhong, Shanxi (山西省晉中市)	Residential	April 2007	5,261	39,080	—	—	39,080	—	100.00
4. Xin Xing International Cultural Town (新興國際文教城)										
Phase I	Jinzhong, Shanxi (山西省晉中市)	Residential	December 2005	5,600	24,602	—	—	24,602	—	100.00
Phase II	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	April 2012	17,968	93,061	—	—	92,910	151	100.00
Phase III	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	December 2009	255,918	545,047	2,327	—	542,720	—	100.00
Phase IV	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	July 2016	30,987	71,103	747	—	70,356	—	100.00
Phase V	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	July 2016	22,578	50,438	3,266	—	46,137	1,035	100.00
5. Upper East Gardens (上東庭院)										
Phase I	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	November 2006	19,361	47,926	—	—	47,926	—	100.00
Phase II	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	December 2011	24,343	75,889	—	—	75,889	—	100.00
6. Riverside Gardens — Zuoquan (左權濱河嘉園)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	December 2007	73,035	98,545	—	—	97,990	555	100.00
7. SOLO Apartments (尚座公寓)	Jinzhong, Shanxi (山西省晉中市)	Commercial/Complex	September 2009	2,411	9,783	257	—	9,526	—	100.00
8. Riverside Gardens — Heshun (和順濱河小區)										
Stage I	Jinzhong, Shanxi (山西省晉中市)	Residential	June 2008	60,100	62,508	—	—	62,168	340	100.00
Stage II	Jinzhong, Shanxi (山西省晉中市)	Residential	October 2012	5,898	51,217	—	—	51,217	—	100.00
9. Mandarin Gardens — Taigu (太谷文華庭院)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	May 2011	30,690	51,525	—	—	51,525	—	100.00

Project	Location	Project Type	Actual Completion Date	Site Area (sq.m.)	Completed GFA (sq.m.)	Saleable/Leasable GFA		GFA sold (sq.m.)	Other GFA <sup>(1)</sup> (sq.m.)	Ownership Interest <sup>(2)</sup> (%)
						Remaining unsold (sq.m.)	GFA held for investment (sq.m.)			
10. Shuncheng Street Underground Space (順城街地下空間)	Jinzhong, Shanxi (山西省晉中市)	Retail Outlets	August 2015	—	897	—	—	897	—	100.00
11. Chenxing Yijun (辰興頤郡)										
Stage I (portion)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	January 2022	50,748	117,098	87,986	—	28,316	796	100.00
<b>Taiyuan (太原)</b>										
1. Yosemite Valley Town -Taiyuan (龍城優山美郡)										
Southern District, Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/Commercial	December 2014	117,128	406,165	12,718	—	393,447	—	100.00
Northern District, Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/Commercial	November 2016	108,005	397,867	11,155	—	316,333	70,379	100.00
Phase II (portion)	Taiyuan, Shanxi (山西省太原市)	Residential/Commercial	June 2020	86,318	246,891	11,077	—	235,814	—	100.00
<b>Mianyang (綿陽)</b>										
1. Yosemite Valley Town (優山美郡)										
	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	May 2012	74,124	126,322	4,912	—	119,565	1,845	100.00
2. Elite Gardens (天禦)										
	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	September 2014	68,529	116,815	664	—	115,464	687	100.00
3. Star Gardens (星城)										
Phase I	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	June 2017	68,150	288,450	408	—	286,721	1,321	100.00
Phase II	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	November 2020	36,158	122,271	75	—	121,265	931	100.00
4. Jinhutingyuan (金湖庭院)										
Phase I	Mianyang, Sichuan (四川省綿陽市)	Residential/Commercial	June 2024	62,672	150,893	23,567	—	127,326	—	60.00
<b>Haikou (海口)</b>										
1. Shangpinhui (尚品匯)										
	Haikou City, Hainan Province (海南省海口市)	Commercial	April 2024	43,795	86,296	86,296	—	—	—	100.00
<b>Total</b>				<b>1,278,572</b>	<b>3,364,119</b>	<b>254,536</b>	<b>18,851</b>	<b>3,012,692</b>	<b>78,040</b>	
<b>Total Attributable GFA<sup>(3)</sup></b>				<b>1,253,503</b>	<b>3,303,762</b>	<b>245,109</b>	<b>18,851</b>	<b>2,961,762</b>	<b>78,040</b>	

**Notes:**

- (1) Includes the GFA held by the Group as public facilities (not saleable or leasable).
- (2) Calculated based on the Group's actual ownership interests in the respective project companies.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

## Properties under Development and Properties Held for Future Development

The following table sets forth a summary of the information about the Group's projects under development and corresponding project stages, if any, and properties held for future development as at 31 December 2025:

Project	Location	Project Type	Site Area (sq.m.)	Actual/ Estimated	GFA under development (sq.m.)	Saleable/ Leasable	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with the land use certificate not obtained yet	Ownership interest <sup>(1)</sup> (%)
				Completion Date		GFA			(sq.m.)	
<b>Jinzhong (晉中)</b>										
<b>1. Chenxing Yijun (辰興頤郡)</b>			<b>146,538</b>		<b>13,506</b>	<b>11,057</b>	—	<b>356,400</b>	—	<b>100.00</b>
Stage I (portion)	Jinzhong, Shanxi (山西省晉中市)	Commercial	5,853	May 2025	13,506	11,057	—	—	—	100.00
Stage II	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	37,462	December 2027	—	—	—	99,500	—	100.00
Stage III	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	85,669	December 2027	—	—	—	209,300	—	100.00
Stage IV	Jinzhong, Shanxi (山西省晉中市)	Residential/ Commercial	17,554	December 2027	—	—	—	47,600	—	100.00
<b>2. Shiguang Zhicheng (時光之城)</b>	Jinzhong, Shanxi (山西省晉中市)	Commercial	<b>28,296</b>	September 2027	<b>112,638</b>	<b>53,880</b>	—	—	—	<b>100.00</b>
<b>3. Jinxiu SOHO (錦綉中心)</b>	Jinzhong, Shanxi (山西省晉中市)	Commercial	<b>3,461</b>	May 2027	<b>20,506</b>	—	—	—	—	<b>100.00</b>
<b>Taiyuan (太原)</b>										
<b>1. Yosemite Valley Town — Taiyuan (龍城優山美郡)</b>			<b>107,038</b>		<b>349,196</b>	<b>324,928</b>	<b>275,038</b>	—	—	<b>100.00</b>
Phase II (portion)	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	24,917	September 2026	129,448	118,086	89,750	—	—	100.00
Phase III	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	60,273	November 2026	207,129	206,842	185,288	—	—	100.00
Phase IV	Taiyuan, Shanxi (山西省太原市)	Primary School	21,848	September 2026	12,619	—	—	—	—	100.00

Project	Location	Project Type	Site Area (sq.m.)	Actual/ Estimated	GFA under development (sq.m.)	Saleable/ Leasable	Pre-sold GFA (sq.m.)	Planned	GFA with the land use certificate not obtained yet (sq.m.)	Ownership interest <sup>(1)</sup> (%)
				Completion Date		GFA		GFA		
<b>2. Longcheng Jiuyuan (龍城玖院)</b>			<b>139,169</b>		<b>123,266</b>	—	—	<b>140,205</b>	—	<b>100.00</b>
Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	64,604	December 2026	123,266	—	—	—	—	100.00
Phase II	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	74,565	December 2026	—	—	—	140,205	—	100.00
<b>Haikou (海口)</b>										
<b>1. Jiangdong Shangyuan (江東上院)</b>	Haikou, Hainan (海南省海口市)	Residential/ Commercial	<b>57,446</b>	May 2026	<b>56,425</b>	<b>10,844</b>	<b>6,124</b>	<b>17,240</b>	—	<b>100.00</b>
<b>Wuzhishan (五指山)</b>										
<b>1. Yijun (頤郡)</b>			<b>92,522</b>		<b>136,422</b>	<b>34,185</b>	—	—	—	<b>100.00</b>
Phase I	Wuzhishan, Hainan (海南省五指山市)	Commercial	28,745	May 2026	48,013	23,451	—	—	—	100.00
Phase II	Wuzhishan, Hainan (海南省五指山市)	Residential	23,827	November 2026	35,274	—	—	—	—	100.00
Phase III	Wuzhishan, Hainan (海南省五指山市)	Residential	18,244	May 2027	26,666	10,734	—	—	—	100.00
Phase IV	Wuzhishan, Hainan (海南省五指山市)	Residential	21,706	May 2027	26,469	—	—	—	—	100.00
<b>Xishuangbanna (西雙版納)</b>										
<b>1. Chenxing International Health City (辰興國際健康城)</b>			<b>223,826</b>		<b>74,662</b>	—	—	<b>209,498</b>	—	<b>100.00</b>
Phase I	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版納傣族自治州)	Residential/ Commercial	42,958	December 2026	20,540	—	—	36,818	—	100.00

Project	Location	Project Type	Site Area (sq.m.)	Actual/ Estimated	GFA under development (sq.m.)	Saleable/ Leasable	Pre-sold GFA (sq.m.)	GFA with the land use certificate	Ownership interest <sup>(1)</sup> (%)
				Completion Date		GFA		Planned GFA (sq.m.)	
Phase II	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版納傣 族自治州)	Residential	50,367	December 2026	54,122	—	—	—	100.00
Phase III	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版納傣 族自治州)	Residential	67,177	December 2027	—	—	—	70,237	100.00
Phase IV	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版納傣 族自治州)	Residential/ Commercial	63,324	December 2028	—	—	—	102,443	100.00
<b>Mianyang (綿陽)</b>									
<b>1. Jinhutingyuan (金湖庭院)</b>			<b>91,695</b>		—	—	—	<b>252,496</b>	<b>60.00</b>
Phase II	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	91,695	September 2027	—	—	—	252,496	60.00
<b>Total</b>			<b>889,991</b>		<b>886,621</b>	<b>434,894</b>	<b>281,162</b>	<b>975,839</b>	—
<b>Total Attributable GFA<sup>(2)</sup></b>					<b>886,621</b>	<b>434,894</b>	<b>281,162</b>	<b>874,841</b>	—

*Notes:*

- (1) Calculated based on the Group's actual ownership interests in the respective project companies.
- (2) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

The table below sets forth a summary of the information about the Group's investment properties as at 31 December 2025:

Project	Property type	Held for	Effective	Occupancy	Rental income	
		investment	leased GFA		rate	for the year ended
		Total GFA			31 December	2024
		(sq.m.)	(sq.m.)	(%)	2025	
					(RMB million)	
Grand International Mall & Apartments (君豪國際)	Retail Outlets	8,241	—	—	0.03	0.01
East Lake Mall (東湖井)	Retail Outlets	10,610	272	2.56	0.03	0.07
Office Building of West Yingbin Street (迎賓西街辦公樓)	Retail Outlets	2,762	2,762	100.0	1.24	1.24
<b>Total</b>		<b>21,613</b>	<b>3,034</b>	<b>—</b>	<b>1.30</b>	<b>1.32</b>

The table below sets forth the Group's land bank as at 31 December 2025 by geographic location:

	Completed saleable/leasable GFA remaining unsold (sq.m.)	Under	For future	Total land bank <sup>(1)</sup>	Percentage of total land bank	Average land cost
		development GFA under development (sq.m.)	development Planned GFA (sq.m.)	Total GFA (sq.m.)	(%)	(RMB/sq.m.)
Jinzhong	103,664	146,650	356,400	606,714	28.7	798.3
Taiyuan	34,950	472,462	140,205	647,617	30.6	668.2
Mianyang	29,626	—	252,496	282,122	13.3	1,085.8
Haikou	86,296	56,425	17,240	159,961	7.6	2,344.8
Wuzhishan	—	136,422	—	136,422	6.4	1,145.2
Xishuangbanna	—	74,662	209,498	284,160	13.4	987.3
<b>Total</b>	<b>254,536</b>	<b>886,621</b>	<b>975,839</b>	<b>2,116,996</b>	<b>100.0</b>	<b>881.7</b>

Note:

- (1) Land bank equals to the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

The table below sets forth the Group's land bank as at 31 December 2025 by property type:

	Completed saleable/ leasable GFA remaining unsold (sq.m.)	Under development GFA under development (sq.m.)	For future development Planned GFA (sq.m.)	Total land bank <sup>(1)</sup> Total GFA (sq.m.)	Percentage of total land bank (%)
Mid-rise	62,996	—	253,455	316,451	15.0
High-rise	12,562	217,042	177,444	407,048	19.2
Townhouses	8,155	118,896	171,482	298,533	14.1
Multi-story garden apartments	3,280	124,427	16,771	144,478	6.8
Available-for-sale office/ commercial properties	85,327	106,908	74,162	266,397	12.6
SOHO apartments	58	15,984	—	16,042	0.8
Hotels	10,845	96,034	18,980	125,859	5.9
Parking spaces	71,313	187,821	245,693	504,827	23.8
Ancillary facilities <sup>(2)</sup>	—	19,509	17,852	37,361	1.8
<b>Total</b>	<b><u>254,536</u></b>	<b><u>886,621</u></b>	<b><u>975,839</u></b>	<b><u>2,116,996</u></b>	<b><u>100.0</u></b>

Notes:

- (1) Land bank equals to the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.
- (2) Includes primarily public facilities which are not saleable.

## **FINANCIAL REVIEW**

### **Revenue**

During the Reporting Period, the Group's revenue amounted to approximately RMB152.9 million, representing a decrease of approximately 87.2% as compared with approximately RMB1,198.6 million in the same period last year. The decrease was mainly due to the number of properties of Chenxing Yijun and Phase I project of Jinhutingyuan delivered during the Reporting Period was less than the number of first-time deliveries of Phase I of Jinhutingyuan in the same period last year.

During the Reporting Period, the Group's revenue from property development amounted to approximately RMB151.6 million, representing a decrease of approximately 87.3% as compared with the same period last year. The decrease was mainly due to the number of properties of Chenxing Yijun and Phase I project of Jinhutingyuan delivered during the Reporting Period was less than the number of first-time deliveries of Phase I of Jinhutingyuan in the same period last year.

### **Sales and Services Cost**

The Group's sales and services cost decreased by approximately 80.0% from approximately RMB1,080.5 million for the year ended 31 December 2024 to approximately RMB216.2 million for the Reporting Period, the decrease of which was mainly due to the revenue cost recognised for the properties of Chenxing Yijun and Phase I project of Jinhutingyuan delivered during the Reporting Period was less than the revenue cost recognised for the first-time deliveries of Phase I project of Jinhutingyuan in the same period last year and an increase in write-down of completed properties held for sale and properties under development.

### **Gross Loss**

During the Reporting Period, the Group's gross loss was approximately RMB63.3 million, while the gross profit was approximately RMB118.1 million in the same period last year. During the Reporting Period, the Group's gross loss margin was approximately 41.4%, representing a decrease of 51.3 percentage points as compared with the gross profit margin of approximately 9.9% in the same period last year. The decrease was mainly due to the substantial decrease in revenue and an increase in write-down of completed properties held for sale and properties under development during the Reporting Period.

During the Reporting Period, the Group's gross loss from property development was approximately RMB64.6 million, while the gross profit was approximately RMB116.7 million in the same period last year. The decrease was mainly due to the substantial decrease in revenue and an increase in write-down of completed properties held for sale and properties under development during the Reporting Period.

During the Reporting Period, the Group's gross loss margin of property development was approximately 42.6%, representing a decrease of approximately 536.8% as compared with the gross profit margin of 9.8% for the same period last year, which was mainly due to an increase in the sales of commercial properties and residences of high gross profit margin during the Reporting Period as compared with the last period, resulting in an increase in gross profit and an increase in write-down of completed properties held for sale and properties under development.

### **Other Income and Gains**

During the Reporting Period, the Group's other income and gains were approximately RMB42.7 million, representing a decrease of approximately 2.6% as compared with approximately RMB43.8 million in the same period last year, which was mainly due to the decrease in dividend income from financial assets, gains from disposal of subsidiaries offset with deemed interest income from land development cost recoverable during the Reporting Period.

### **Net Loss Attributable to Owners of the Parent of the Company**

During the Reporting Period, the loss attributable to owners of the parent of the Company was approximately RMB271.3 million, representing an increase of approximately 67.2% from approximately RMB162.2 million in the same period last year. The increase in the loss attributable to owners of the parent of the Company was mainly due to the significant decrease in gross profit and an increase in write-down of completed properties held for sale and properties under development in the Reporting Period.

### **Change in Fair Value of Investment Properties**

The fair value of the Group's investment properties decreased by approximately 6.3% from approximately RMB96.0 million for the year ended 31 December 2024 to approximately RMB90.0 million for the year ended 31 December 2025, and the decrease was primarily due to the decrease in the fair value of Grand International Mall & Apartments, East Lake Mall and Office Building of West Yingbin Street.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses increased by approximately 18.9% from approximately RMB19.4 million for the year ended 31 December 2024 to approximately RMB23.0 million for the Reporting Period, and the increase was primarily due to the increase in sales agency and handling fees of Jiangdong Shangyuan during the Reporting Period.

## **Administrative Expenses**

The Group's administrative expenses decreased by approximately 8.1% from approximately RMB48.9 million for the year ended 31 December 2024 to approximately RMB45.0 million for the Reporting Period, and the decrease was mainly due to the decrease in taxes, fees and other administrative expenses resulting from lower property sales.

## **Finance Costs**

The Group's finance costs decreased by approximately 11.4% from approximately RMB161.0 million for the year ended 31 December 2024 to approximately RMB142.6 million for the Reporting Period, and the decrease was primarily due to the lower lending interest rates during the Reporting Period.

## **Income Tax Expense/(Credit)**

The Group's income tax credit decreased by approximately 1,572.7% from income tax expense of approximately RMB1.7 million for the year ended 31 December 2024 to income tax credit approximately RMB25.6 million for the Reporting Period. The decrease was mainly due to an increase in write-down of completed properties held for sale and properties under development, resulting in an increase in deferred tax assets.

## **Total Loss and Comprehensive Income for the Reporting Period**

As a result of the foregoing, the Group's total loss and comprehensive income for the Reporting Period increased by approximately 109.7% from approximately RMB130.7 million for the year ended 31 December 2024 to approximately RMB274.0 million for the Reporting Period.

## **Cash Position**

As at the end of the Reporting Period, the Group's cash and cash equivalents were approximately RMB105.0 million, representing a decrease of approximately 2.5% as compared to approximately RMB107.7 million as at 31 December 2024, and the decrease was primarily due to repayment of certain bank borrowings.

## **Net Operating Cash Flow**

The Group recorded a positive operating cash flow of approximately RMB142.6 million as at the end of the Reporting Period, while the positive operating cash flow was approximately RMB61.0 million as at 31 December 2024.

## **Borrowings**

The Group had outstanding bank and other borrowings and borrowings from related parties of approximately RMB2,617.7 million and RMB200.7 million, respectively, as at the end of the Reporting Period while the Group had outstanding bank and other borrowings and borrowings from related parties of approximately RMB2,730.5 million and RMB189.7 million as at 31 December 2024.

## **Pledged Assets**

Certain of the Group's borrowings were secured by properties under development held for sale, investment properties and property, plant and equipment, or combinations of the above. As at the end of the Reporting Period, the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB1,661.0 million.

## **Financial Guarantees and Contingent Liabilities**

In line with the market practice, the Group has entered into agreements of arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct any independent credit checks on customers, but relies on the credit checks conducted by mortgagee banks. As with other PRC property developers, the banks usually require the Group to guarantee its customers' obligations to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at the end of the Reporting Period, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB839.0 million.

During the Reporting Period, the Group had no material contingent liabilities.

## **Gearing Ratio**

As at the end of the Reporting Period, based on the Group's total debt of approximately RMB2,617.7 million and total equity of approximately RMB953.3 million, the gearing ratio of the Group was approximately 274.6% (31 December 2024: approximately 222.4%). Gearing ratio is calculated by dividing total debt over total equity, and total debt includes interest-bearing bank and other borrowings. The increase in gearing ratio was mainly due to that the net loss incurred during the period was greater than the decrease in total debt.

## **Foreign Currency Risk**

The Group operates primarily in the PRC and most of its revenues and expenses are settled in RMB. The Group is exposed to foreign currency risks because its bank balances are denominated in HK dollar and the value of which will fluctuate with exchange rate

fluctuations. The exchange rate between RMB and HK dollar may fluctuate as a result of various factors, such as changes in China's political and economic conditions. The Board expects that the fluctuation of the RMB exchange rate will not have a material adverse effect on the Group. The Group does not have a hedging policy in relation to the foreign currency risk.

### **Material Acquisitions and Disposal and Material Investments**

Save as disclosed in this announcement, the Group did not have any other material acquisition or disposal of subsidiaries or associates during the Reporting Period.

### **Other Significant Matters during the Reporting Period**

Save as disclosed in this announcement, as at the date of this announcement, the Group did not conduct any material acquisitions, disposals or material investments.

### **Significant Events after the Reporting Period**

As of the date of this announcement, the Group did not have any significant events after the Reporting Period.

### **Future Plans for Material Investments or Capital Assets**

The Company will continue to invest in property development projects and acquire suitable land parcels in selected cities as appropriate. Internal resources and bank borrowings are expected to be sufficient to meet the necessary funding needs. Save as disclosed in the prospectus and above, the Group has no future plans of material investment as at the date of this announcement.

### **Employees and Remuneration Policies**

As at the end of the Reporting Period, the Group had 205 employees. During the Reporting Period, the Group had incurred the employee costs of approximately RMB18.9 million. Employee compensations generally include salaries and quarterly performance bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medical, maternity, occupational injury and unemployment benefit plans.

### **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be convened on Friday, 29 May 2026, a notice of which will be published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company in due course.

## FINAL DIVIDEND

The Board has resolved not to declare a final dividend for the year ended 31 December 2025 (2024: nil).

## CORPORATE GOVERNANCE PRACTICES

The Company is always committed to maintaining high standards of corporate governance with a view to ensuring the professional conduct of the Company's management and protect the interests of all shareholders. The Company is fully aware that transparency and accountability in corporate governance are crucially important to the shareholders. The Board considers that sound corporate governance creates most interests for the shareholders.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange as its own code of corporate governance. During the Reporting Period, the Company had complied with all applicable code provisions under the CG Code.

To ensure that the Company complies with the CG Code, the Company will constantly review and strengthen its corporate governance practices and enhance its internal control through the assistance of its legal advisors as to PRC and Hong Kong laws.

The Board consists of four executive Directors and three independent non-executive Directors. The Board is responsible for the operation and coordination of the development of the Company and monitoring the Company's business, strategic decisions and performance, and has full and timely access to all relevant information in relation to the Company's businesses and affairs, while the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess professional qualifications and related management experience in the areas of financial accounting, corporate governance, etc. and contribute to the Board with their professional opinions.

Mr. Bai Xuankui (“**Chairman Bai**”) is an executive Director and the chairman of the Board. He is responsible for the management of the Board and the overall strategic planning, business development and corporate governance functions. The Company believes that Chairman Bai's servicing as Director and chairman since its establishment is conducive to the Company's formulating a correct development strategy. Regarding business operations, the Company's senior management, which comprises experienced and high caliber individuals from various sectors, will ensure decisions made by the Board be thoroughly implemented.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiries with all Directors, each of them, save as disclosed below, has confirmed that he/she has complied with the Model Code during the Reporting Period.

On 4 March 2025, Mr. Bai Wukui, the Company’s executive Director, acquired 1,000 shares of the Company. His acquisition of shares fell within the blackout period under Rule A.3(a) of the Model Code for the Company’s annual results publication for the year ended 31 December 2024. As a result, the acquisition of shares was not in compliance with Rules A.3(a)(i) and B.8 of the Model Code. The Board takes corporate governance seriously and has put in place a number of steps and measures to ensure that each Director is well informed and aware of their duties and obligations under the Model Code.

The Board considers that this is a single incident and an inadvertent mistake on the part of Mr. Bai Wukui. To prevent similar instances of non-compliance in the future, Mr. Bai Wukui has attended a director training course in April 2025 to fully refresh his knowledge of the restrictions during the blackout period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sales of treasury shares).

As at the end of the Reporting Period, the Company did not hold any treasury shares.

## **SUFFICIENCY OF PUBLIC FLOAT**

As of the date of this announcement, based on information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Stock Exchange.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the code provision of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua. The Audit Committee is chaired by Mr. Tian Hua.

The Audit Committee has reviewed, with the management and the Board, the accounting principles and policies adopted by the Company, as well as relevant laws and regulations, and discussed risk management, internal control and financial reporting matters of the Group, including the review of the annual results of the Group for the year ended 31 December 2025. The Audit Committee considers that the annual results are in compliance with the applicable accounting principles and policies, laws and regulations, and that the Company has made appropriate disclosures thereof.

## **SCOPE OF WORK OF MESSRS. BDO 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 preliminary announcement have been agreed by the Group's auditor, Messrs. BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the year as tabled before the Board of Directors meeting for approval. The work performed by Messrs. BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. BDO Limited on this preliminary announcement.

## **PUBLICATION OF THE ANNUAL RESULTS AND THE ANNUAL REPORT**

In accordance with the requirements under the Listing Rules, this results announcement has been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chen-xing.cn](http://www.chen-xing.cn)), respectively.

In accordance with the requirements under the Listing Rules, the annual report for the year ended 31 December 2025 containing information about the Company will be published on the websites of the Stock Exchange and the Company, respectively in due course.

## **CHANGE OF COMPANY SECRETARY, AUTHORIZED REPRESENTATIVE AND PROCESS AGENT**

The Board announces that Ms. Lee Angel Pui Shan ("**Ms. Lee**") has tendered her resignation as the company secretary of the Company (the "**Company Secretary**"), an authorized representative of the Company (the "**Authorized Representative**") under Rule 3.05 of the Listing Rules and the process agent for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Process Agent**") with effect from 27 March 2026.

Ms. Lee confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company.

The Board further announces that Ms. Au Wing Han (“**Ms. Au**”) has been appointed as the Company Secretary, the Authorized Representative and the Process Agent with effect from 27 March 2026.

The biographical details of Ms. Au are set out as follows:

Ms. Au Wing Han is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specialising in corporate services, and has over 10 years of experience in corporate secretarial field and is responsible for providing corporate service to listed and private companies. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and holds a degree of Bachelor of Business Administration (Hons).

The Board would like to take this opportunity to express its gratitude to Ms. Lee for her valuable contribution to the Company during her tenure of service, and to welcome Ms. Au on her new appointment.

By order of the Board  
**Chen Xing Development Holdings Limited**  
**Bai Xuankui**  
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the executive Directors are Mr. Bai Xuankui, Mr. Bai Wukui, Mr. Bai Guohua and Mr. Dong Shiguang and the independent non-executive Directors are Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua.*