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萬城
MILLION CITIES

萬城控股有限公司
MILLION CITIES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2892)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December		Change	
	2025	2024		
	RMB'million	RMB'million	RMB'million	%
	(in approximate)	(in approximate)	(in approximate)	(in approximate)
Revenue	63.9	99.7	(35.8)	-35.9%
Gross loss	(6.0)	(17.1)	(11.1)	-64.9%
Loss attributable to the equity shareholders of the Company	(20.5)	(113.8)	(93.3)	-82.0%
Basic and diluted losses per share (RMB cents)	(2.74)	(15.18)	(12.44)	-81.9%
Proposed final dividend per share (RMB cents)	—	—	N/A	N/A

The board (the “**Board**”) of directors (the “**Directors**”) of Million Cities Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 31 December 2025 (“**FY2025**”) together with the comparative figures for the year ended 31 December 2024 (“**FY2024**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in Renminbi)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	63,888	99,710
Cost of sales		<u>(69,912)</u>	<u>(116,839)</u>
Gross loss		(6,024)	(17,129)
Valuation gains/(losses) on investment properties		369	(410)
Other income and gain, net	4	10,015	14,059
Impairment losses on other receivables		(513)	(1,341)
Selling expenses		(12,092)	(7,581)
Administrative expenses		(20,748)	(41,822)
Other expenses		<u>(208)</u>	<u>(3,686)</u>
Loss from operations		(29,201)	(57,910)
Finance costs	5	(23)	(18)
Share of profits less losses of associates		<u>(23,525)</u>	<u>(64,946)</u>
Loss before taxation	6	(52,749)	(122,874)
Income tax credit/(expenses)	7	<u>25,805</u>	<u>(20,640)</u>
Loss for the year		<u>(26,944)</u>	<u>(143,514)</u>
Attributable to:			
Equity shareholders of the Company		(20,529)	(113,817)
Non-controlling interests		<u>(6,415)</u>	<u>(29,697)</u>
Loss for the year		<u>(26,944)</u>	<u>(143,514)</u>
Basic and diluted losses per share (<i>RMB cents</i>)	8	<u>(2.74)</u>	<u>(15.18)</u>

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

*For the year ended 31 December 2025
(Expressed in Renminbi)*

	2025	2024
	RMB'000	<i>RMB'000</i>
Loss for the year	(26,944)	(143,514)
Other comprehensive income for the year		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
— the associates	3,603	(1,580)
— the Hong Kong and overseas subsidiaries	2,610	(3,274)
Other comprehensive income for the year, net of tax	6,213	(4,854)
Total comprehensive income for the year	(20,731)	(148,368)
Attributable to:		
Equity shareholders of the Company	(20,069)	(114,724)
Non-controlling interests	(662)	(33,644)
Total comprehensive income for the year	(20,731)	(148,368)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		42,719	44,844
Investment properties		57,749	56,211
Interests in associates		440,794	189,809
Deferred tax assets		49,074	50,795
		<u>590,336</u>	<u>341,659</u>
Current assets			
Inventories and other contract costs	10	502,626	566,369
Trade and other receivables	11	106,985	240,253
Prepaid tax		7,490	11,805
Pledged and restricted deposits		2,341	12,650
Cash and cash equivalents		92,167	268,446
		<u>711,609</u>	<u>1,099,523</u>
Total assets		<u>1,301,945</u>	<u>1,441,182</u>
Current liabilities			
Contract liabilities	12	13,448	48,539
Trade and other payables	13	477,595	493,816
Lease liabilities		148	135
Tax payable		77,500	170,973
Provision		44,777	22,091
		<u>613,468</u>	<u>735,554</u>
Net current assets		<u>98,141</u>	<u>363,969</u>
Total assets less current liabilities		<u>688,477</u>	<u>705,628</u>

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities			
Lease liabilities		402	550
Deferred tax liabilities		7,279	3,551
		7,681	4,101
NET ASSETS		680,796	701,527
CAPITAL AND RESERVES			
Share capital	<i>14</i>	6,605	6,605
Reserves		544,023	564,092
Total equity attributable to equity shareholders of the Company		550,628	570,697
Non-controlling interests		130,168	130,830
TOTAL EQUITY		680,796	701,527

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Million Cities Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 15 November 2016 as an exempted company with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office is at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The core business activities of the Company and its subsidiaries (together, the “**Group**”) include property development and sales in People’s Republic of China (the “**PRC**”).

These consolidated financial statements for the years ended 31 December 2025 and 2024 comprise the Group and the Group’s interest in associates.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2025 but are extracted from those consolidated financial statements which have been prepared in accordance with HKFRS Accounting Standards and the requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements.

(b) Basis of measurement

These consolidated financial statements are presented in Renminbi (“**RMB**”), rounded to the nearest thousand, as the Group’s principal activities were carried out in the PRC. RMB is the functional currency for the Company’s subsidiaries established in the PRC. The functional currency of the Company and the Company’s subsidiaries outside the PRC are Hong Kong dollars, as these entities’ principal activities are financing and investing activities, and Hong Kong dollars are the primary currency generated from and used in these activities.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments in debt and equity securities and investment properties are stated at fair value.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(d) Changes in accounting policies

Amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 21 — Lack of Exchangeability
- Amendments to Illustrative Example on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 — Disclosures about Uncertainties in the Financial Statements

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(e) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets; and
- investments in subsidiaries, and associates.

If any such indication exists, the asset's recoverable amount is estimated.

— **Calculation of recoverable amount**

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— **Recognition of impairment losses**

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— **Reversals of impairment losses**

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(f) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 — Amendments to the classification and measurement of financial instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7— Contracts referencing nature-dependent electricity	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS7 — Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and disclosure in financial statements	1 January 2027
HKFRS 19 — Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to HKAS 21 — Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	a date to be determined by the HKICPA

The Group is in the process of making an assessment on what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are property development and sales in the PRC.

Disaggregation of revenue

Revenue mainly represents income from sale of properties and gross rentals from properties, net of sales related taxes and discounts allowed, and is analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of properties:		
— Recognised at a point in time	57,370	94,374
Revenue from other sources		
Gross rentals from properties	<u>6,518</u>	<u>5,336</u>
	<u>63,888</u>	<u>99,710</u>

For the year ended 31 December 2025, the Group's customer base was diversified and did not have a customer with whom transactions have exceeded 10% of the Group's revenue (2024: nil).

(b) Operating segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance of property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, *Operating Segments*.

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties and interests in associates (“**specified non-current assets**”). The geographical location of customers is based on the location at which the properties were developed or leased out. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, and the location of operations, in the case of interests in associates.

	Revenue from external customers		Specified non-current assets	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Huizhou	50,120	89,192	406,074	152,742
Tianjin	13,768	10,518	53,173	53,502
Zhumadian	—	—	82,015	84,620
	<u>63,888</u>	<u>99,710</u>	<u>541,262</u>	<u>290,864</u>

4. OTHER INCOME AND GAIN, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income arises from bank deposits	2,406	7,461
Interest income arises from loans receivable	2,681	3,924
Net exchange (losses)/gains	(1,037)	841
Gain from disposal of a subsidiary (<i>Note</i>)	2,240	—
Others	3,725	1,833
	<u>10,015</u>	<u>14,059</u>

Note: The Group disposed of its entire equity interest in Fortune Brilliant City Limited as part of the consideration for the acquisition of an interest in an associate from a related party.

5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	<u>23</u>	<u>18</u>
	<u>23</u>	<u>18</u>

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging or (crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation charges of property, plant and equipment	3,128	2,843
Auditors' remuneration		
— audit service	1,500	2,500
— non-audit service	550	1,335
	<u>2,050</u>	<u>3,835</u>
Impairment losses on other receivables	513	1,341
Rentals income from investment properties	<u>(2,225)</u>	<u>(2,518)</u>

7. INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Provision for Corporate Income Tax (“CIT”)		
— Current year	4,343	938
— Over provision in respect of prior years	<u>(11,899)</u>	<u>—</u>
	(7,556)	938
Provision for Land Appreciation Tax (“LAT”)		
— Current year	280	10,359
— Over provision in respect of prior years	<u>(23,978)</u>	<u>—</u>
	<u>(23,698)</u>	<u>10,359</u>
	(31,254)	11,297
Deferred tax		
Origination and reversal of temporary differences	<u>5,449</u>	<u>9,343</u>
	<u>(25,805)</u>	<u>20,640</u>

(i) CIT and Hong Kong Profits Tax

The provision for CIT is based on the estimated taxable income at the rates applicable to each PRC subsidiary of the Group. The income tax rate applicable to the principal subsidiaries in the PRC is 25% during the year ended 31 December 2025 (2024: 25%).

No provision for Hong Kong Profits Tax was recognised for the year ended 31 December 2025 (2024: nil) as the subsidiaries in Hong Kong did not have any assessable profits for the year.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

(iii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

8. LOSSES PER SHARE

(a) Basic losses per share

The calculation of basic losses per share is based on the loss attributable to equity shareholders of the Company of RMB20,529,000 (2024: RMB113,817,000) and the weighted average number of issued ordinary shares of 750,000,000 (2024: 750,000,000) during the year ended 31 December 2025.

(b) Diluted losses per share

Diluted losses per share for the years ended 31 December 2025 and 2024 were the same as the basic losses per share as the deemed issue of shares under the Company’s share option scheme was anti-dilutive for both years.

The average market value of the Company’s shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

9. DIVIDENDS

No dividends have been declared or paid by the Company and its subsidiaries during the year ended 31 December 2025.

On 30 March 2026, the Board resolved not to recommend a final dividend for the year ended 31 December 2025 (2024: nil).

10. INVENTORIES AND OTHER CONTRACT COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Inventories		
Properties held for development	75,273	73,845
Completed properties for sale	<u>427,353</u>	<u>492,524</u>
	<u><u>502,626</u></u>	<u><u>566,369</u></u>

As at 31 December 2025, certain completed properties with carrying amount of RMBnil (2024: RMB5,765,000) were pledged due to litigation disputes and sales of which are therefore restricted.

- (a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of inventories sold	53,388	74,780
Write-down of inventories	<u>16,524</u>	<u>42,059</u>
	<u><u>69,912</u></u>	<u><u>116,839</u></u>

As at 31 December 2025, the amount of inventories expected to be recovered after more than one year is RMB467,708,000 (2024: RMB551,754,000). All of the other inventories are expected to be recovered within one year.

- (b) The analysis of carrying value of land held for property development for sale is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
In the PRC, with remaining lease term of:		
— 50 years or more (long leases)	56,810	59,974
— between 10 and 50 years (medium-term leases)	<u>61,941</u>	<u>65,414</u>
	<u><u>118,751</u></u>	<u><u>125,388</u></u>

11. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade debtors, net of loss allowance (<i>note (a)</i>)		
— Gross rentals from properties	372	330
Amounts due from associates (<i>note (b)</i>)	18,000	18,000
Amounts due from non-controlling interests (<i>note (b)</i>)	26,312	24,570
Loans to third parties (<i>note (c)</i>)	—	139,424
Other debtors, net of loss allowance	51,415	44,547
Deposits	291	284
	<u>96,390</u>	<u>227,155</u>
Financial assets measured at amortised cost		
	96,390	227,155
Prepayments (<i>note (d)</i>)	10,595	13,098
	<u>106,985</u>	<u>240,253</u>

All of the trade and other debtors are expected to be recovered or recognised as expenses within one year.

- (a) As at 31 December 2025 and 2024, the ageing analysis of trade debtors, based on the date the invoice date, net of allowance for doubtful debts, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	4	17
1 to 3 months	—	1
3 to 6 months	54	1
Over 6 months	314	311
	<u>372</u>	<u>330</u>

As at 31 December 2025, no trade debtors were past due (2024: nil). Based on experience, management believes that no loss allowance is necessary in respect of the trade debtors as there has not been a significant change in credit quality. The Group is of the view that the expected irrecoverable trade debtors were insignificant. The Group does not hold any collateral over these balances.

- (b) The amounts due from associates and non-controlling interests were interest-free, unsecured and recovered within one year.
- (c) As at 31 December 2025, the balance included loans to third parties together with the accrued interests amounted to nil. As at 31 December 2024, the balance included two loans to third parties together with accrued interests amounted to RMB100,424,000 and RMB39,000,000 with interest rate of 4% per annum and 3.5% per annum, respectively, of which Mr. Wong Ting Chung, the chairman and executive director of the Company provided a personal guarantee in favour of the Group for the loan amounting to RMB100,424,000.
- (d) At 31 December 2025, the balance mainly included prepayments for VAT and surcharges with an aggregated amount of RMB9,942,000 (2024: RMB12,641,000).

12. CONTRACT LIABILITIES

- (a) The following table provides information about contract liabilities from contracts with customers:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract liabilities — Receipts in advance from property sales	13,448	48,539

Contract liabilities represented payments received from customers on sale of properties. Contract liabilities are recognised in profit or loss when the related properties are delivered.

- (b) Movements in contract liabilities

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance at 1 January	48,539	78,161
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(40,917)	(31,182)
Decrease in contract liabilities as a result of refund to customers	(3,864)	—
Increase in contract liabilities as a result of receipts in advance from property sales during the year in respect of properties with revenue recognition not being met as at 31 December	9,690	1,560
Balance at 31 December	13,448	48,539

13. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade creditors (<i>note (a)</i>)	54,565	63,103
Other payables and accruals	43,868	47,718
Amounts due to related parties (<i>note (b)</i>)	<u>315,122</u>	<u>318,965</u>
Financial liabilities measured at amortised cost	413,555	429,786
Financial guarantee issued (<i>note (c)</i>)	15,738	15,728
Amounts due to the controlling shareholder and non-controlling interests (<i>note (d)</i>)	<u>48,302</u>	<u>48,302</u>
	<u><u>477,595</u></u>	<u><u>493,816</u></u>

- (a) Ageing analysis of trade creditors included in trade and other payables as at 31 December 2025 and 2024, based on the date of the trade payables recognised:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	—	65
3 to 6 months	—	68
6 to 12 months	4	2
Over 12 months	<u>54,561</u>	<u>62,968</u>
	<u><u>54,565</u></u>	<u><u>63,103</u></u>

All trade and other payables are expected to be settled within one year or are payable on demand.

- (b) The amounts due to related parties are interest-free, unsecured and repayable on demand.
- (c) On 17 March 2021, Huizhou Logan Junhong Real Estate Limited (“**Logan Junhong**”), an associate of the Group, entered into a loan agreement (“**Loan Agreement**”) with total banking facility amounted to RMB420,000,000 which was 100% guaranteed by Logan Group Company Limited (“**Logan Group**”). On 10 May 2021, the Group and Logan Group, entered into a counter-guarantee agreement (“**Counter-guarantee**”) pursuant to which the Group has agreed, subject to the terms and conditions contained therein, to provide a counter-guarantee to Logan Group with regard to the Loan Agreement in proportion to the Group’s respective equity interest in Logan Junhong (30%). As at 31 December 2025, the total bank loan secured by the Counter-guarantee attributable to the Group was RMB12,600,000 (2024: RMB15,600,000). Deferred income in respect of the financial guarantees issued was RMB135,800 (2024: RMB2,301,000).

On 18 May 2024, the Group, Huizhou Well Kong Real Estate Co., Ltd. (“**Well Kong PRC**”), an associate of the Group, and Shenzhen Logan Holdings Company Limited (“**Logan Shenzhen**”, the other shareholder of the associate) entered into a guarantee agreement in relation to the existing loan consisting of an outstanding amount together with the accrued interest till 30 June 2025 of approximately RMB13,427,000 owing from Well Kong PRC to Logan Shenzhen (the “**Existing Loan**”). To secure the repayment of the Existing Loan, the Group undertakes to provide a guarantee to Logan Shenzhen in favour of Well Kong PRC to secure the repayment of the amount due to Logan Shenzhen. As at 31 December 2025, provision of RMB13,702,000 (2024: RMB13,427,000) has been made for this guarantee.

- (d) Pursuant to the capital injection agreement entered into between Huizhou Yuefu Real Estate Co., Ltd., a subsidiary of the Company, and its shareholders signed on 25 June 2018 (the “**Agreement**”), an amount representing the sum of the retained profits as at 31 May 2018, and the estimated unrealised gain arising from the unsold inventories as at 31 May 2018, should be distributed to the original shareholders in accordance with share proportion before the capital injection. The obligation arising from the Agreement is recognised as a financial liability and is measured at fair value. The balance is unsecured and expected to be settled upon disposal of the relevant inventories.

14. SHARE CAPITAL

	<i>No. of shares</i>	<i>Amount in HKD</i>
Authorised share capital of the Company:		
Ordinary shares of HKD0.01 each		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>1,400,000,000</u>	<u>14,000,000</u>
Preference shares of HKD0.01 each		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>600,000,000</u>	<u>6,000,000</u>

The share capital as at 31 December 2024 and 2025, represented the share capital of the Company.

	<i>No. of shares</i>	<i>Amount in HKD</i>	<i>Amount in RMB</i>
Ordinary shares, issued and fully paid:			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>750,000,000</u>	<u>7,500,000</u>	<u>6,605,250</u>

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Currently the domestic real estate industry is considered to be in the stage of bottoming out and recovery. In the year of 2025, the total sales area of commercial housing was approximately 881 million sq.m., representing a decrease of approximately 9.5% from the previous year, but the decline was narrowed by 2.7 percentage points as compared to the year of 2024. In terms of monetary value, the sales volume of commercial housing dropped by approximately 13.2% year-on-year to approximately RMB8.39 trillion, narrowing by 3.8 percentage points as compared to the year of 2024. This indicates that while downward pressure on the market persists, the worst situation may have passed, entering into a situation of “mild adjustment + partial stabilization.”

Nevertheless, market recovery is slow as mainly affected by factors such as continuous declines in housing prices and employment uncertainty, leading to insufficient consumer confidence and low desire on house purchases. Even though the demand for improved housing has emerged, essential demand remains weak. Besides, the investment side continues to contract, with the total investment in the real estate industry in the year of 2025 amounting to approximately RMB8.28 trillion, a year-on-year decrease of about 17.4%. The land market scale has declined for five consecutive years. By the end of 2025, national inventory levels remained high due to mismatch of supply and demand, causing difficulty in destocking. The excess inventory has been suppressing both prices and sales volumes. Furthermore, impairment pressure on existing stocks increases debt risks for real estate companies. Although a financing “white list” has been introduced, financing channels for real estate companies remain tight, especially for private enterprises, as bank credit continuing to be conservative. Most distressed real estate companies are still mired in debt restructuring, presenting a pattern where state-owned enterprises lead the market while private enterprises struggle.

Over the past year, the central government has issued multiple policies on real estate development and regulation, aiming at stabilizing the market, resolving risks, and promoting transformation. The government continues to promote clearance of excess inventory, guarantee of housing delivery, and risk prevention and control, while exploring multiple channels to activate existing housing stock. Foreign investment has also been relaxed since foreign investors are allowed to use converted RMB for direct down payments and widening of investment purposes, injecting new vitality into real estate in core cities. Other measures include lowering mortgage interest rates, relaxing home purchase restrictions, supporting developer financing, and canceling the “three red lines” leverage rules to alleviate liquidity pressures. Overall, these policies focus on the supply side with the goal to balancing the market. The implementation effects are yet to be observed over time.

Overall, the Group believes that “stabilizing the property market, stabilizing expectations, and stabilizing enterprises” is the long-term policy direction. The real estate market will gradually and moderately stabilize, with the overall approach centered on “stabilizing the market, preventing risks, and optimizing supply,” developing towards a high-quality and sustainable model.

BUSINESS REVIEW

In the current challenges of the real estate industry, the Group focuses more on operational stability, maximization of inventory digestion, as well as cash flow management. Currently, all bank loans of the Company’s subsidiaries have been fully repaid, and the balance sheet is tending upon healthy status.

During FY2025, the Group recorded revenue of approximately RMB63.9 million, representing a decrease of approximately 35.9% as compared to last year’s sales revenue. This decline was mainly due to movements in sales of remaining completed properties. The net loss attributable to equity shareholders of the Company was approximately RMB20.5 million for FY2025, representing a decrease of approximately 82.0% as compared to the loss of last year. This was mainly because the Group neither recognised any impairment loss on other receivables of the Company’s associated companies nor made any provisions with respect to the accrued interest in the Company’s associated companies in FY2025, unlike during FY2024. Furthermore, in FY2025 the Group recorded (a) a significant reduction in (i) impairment amount of inventories in subsidiaries and associated companies; and (ii) administrative expenses and taxation; and (b) reversal of over provision in respect of tax, which was made in prior years.

For FY2025, the Group attained an aggregated contracted sales value, including sale of properties by the associates of the Group at 100% level, of approximately RMB116.0 million with a total GFA of approximately 18,378 sq.m., which was mainly attributable to the sale of Million Cities International in Huizhou, Million Cities Tycoon Place in Tianjin and Dragon Palace in Henan.

BUSINESS OUTLOOK

According to the government work reports and recent guidelines, the development direction has been clearly defined toward “controlling new supply, digesting inventory, and optimizing supply structure.” The policy explicitly proposes “exploring multiple channels to revitalize existing commercial housing,” such as encouraging local governments to acquire existing commercial housing for affordable housing. Subsequent funding support (such as special bonds) is projected to be further increased, which serves both de-stocking and improving the housing security system. The policy focus is shifting to “quality improvement,” with the construction of “good houses” entering the implementation phase in 2026, requiring the orderly promotion of safe, comfortable, green, and smart “good houses”. This marks the industry’s complete farewell to the high-turnover replication model, shifting towards a quality premium orientation. The 15th

Five-Year Plan (2026–2030) emphasizes reshaping the real estate market, with policies prioritizing the development of affordable housing, the rental market, and urban renewal, while supporting the needs of industrial and technology enterprises is expected to drive the recovery of office and industrial parks.

The Group will align with the policy directions and be more flexible in seeking development opportunities and exploring potential business prospects. The Group will consider allocating resources to property investment including industrial parks as well as the possibilities of light-asset models in property management, and exploring sustainable project investment opportunities, so as to enrich the investment portfolio structure and to create long-term value for shareholders and investors.

FINANCIAL REVIEW

Revenue

The Group's revenue mainly represented income from the sale of properties and gross rentals from properties earned during the year, net of sales related taxes and discounts allowed.

Revenue from sale of properties has constituted, and is expected to continue to constitute, a majority of the Group's total revenue.

Impairment

Affected by macroeconomic environment of Chinese Mainland, in particular the real estate industry, impairment was recorded for (i) properties held for development, properties under development and completed properties of the Group; (ii) investment properties of the Group; and (iii) properties of the Group's associates.

Such impairment was made since there was a drop in the fair value of all the above mentioned properties that are located in Chinese Mainland. The values of these properties are determined by market approach with reference to recent sales price of comparable properties on a price per square meter basis, adjusted for a premium or a discount specific to the location, property size and age of the Group's properties compared to the recent sales. Market approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; Each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on. Same valuation method was used in FY2024.

As there was no change in the bases and assumptions of inputs and valuation methodology, the amount of impairment recorded for FY2025 was primarily driven by the continued drop in prices per square meter due to prevailing economic and market factors; however, the overall magnitude of this impairment was notably moderated compared to the previous financial year. While the property market and economic downturn continued to exert pressure on market sentiments and unit prices, the rate of decline in market values witnessed a narrowing over FY2025. Although potential purchasers remain cautious and uncertain about the near-term economic situation, leading to continued delays in purchase decisions and decreased selling velocities, the comparatively smaller decrease in market values suggests a relative stabilization in the localities of the Group's properties compared to the steeper downturn experienced in FY2024.

Property development

(i) Contracted sales

Total properties contracted sales (based on GFA of sales consent), including sale of properties by the associates of the Group at 100% level, amounted to approximately RMB116.0 million, representing a GFA of approximately 18,378 sq.m. sold for FY2025.

(ii) Land bank

As at 31 December 2025, the total GFA of the Group's land bank was approximately 1,185,964 sq.m., out of which (i) approximately 335,607 sq.m. GFA was unsold completed properties projects; (ii) approximately 14,988 sq.m. GFA was unsold and under construction; and (iii) approximately 835,369 sq.m. GFA was reserved for future development.

(iii) Revenue

Revenue from sale of properties for FY2025 amounted to approximately RMB57.4 million, as compared with approximately RMB94.4 million reported in FY2024, representing a decrease by approximately 39.2%. Revenue recognised for FY2025 was mainly contributed by Million Cities International and Million Cities Legend Phase 3 in Huizhou, and Million Cities Tycoon Place in Tianjin; while that for FY2024 was mainly contributed by Million Cities Legend Phase 3 and shops in Crown Grand Court in Huizhou.

Rental income

Gross rental income from investment properties and inventories for FY2025 was approximately RMB6.5 million, as compared with approximately RMB5.3 million reported in FY2024, representing an increase by approximately RMB1.2 million.

Cost of sales

Cost of sales for FY2025 was approximately RMB69.9 million, as compared with approximately RMB116.8 million reported in FY2024, representing a decrease by approximately 40.2%. The decrease in cost of sales was mainly due to (i) the decrease in revenue from sale of properties; and (ii) significant decrease in impairment amount of certain inventories as compared with FY2024.

Gross loss

The gross loss for FY2025 was approximately RMB6.0 million, as compared with the gross loss for FY2024 of approximately RMB17.1 million, representing a decrease by approximately 64.9%. The decrease in gross loss was mainly because due to significant decrease in the impairment amount of certain inventories as compared with FY2024. For further details regarding the impairment, please refer to the paragraph headed “Impairment” above.

Valuation gain on investment properties

The Group recorded valuation gain for FY2025 of approximately RMB0.4 million instead of valuation loss of approximately RMB0.4 million reported in FY2024. This was mainly due to changes in the market value of the investment properties during FY2025.

Other net income

Other net income for FY2025 was approximately RMB10.0 million, as compared with approximately RMB14.1 million in FY2024, representing a decrease by approximately 29.1%, which was mainly due to the decrease in (i) the bank balance of the Group; (ii) the interest rate, and (iii) the interest income from Huizhou Zhongyi from RMB4.0 million for FY2024 to RMB1.3 million for FY2025 since such loan had been assigned to Huizhou Wanjia after completion of the major and connected transaction in relation to the acquisition of Fortune Radiant City Limited, details of which please refer to the circular of the Company dated 24 October 2025.

Selling expenses

Selling expenses for FY2025 were approximately RMB12.1 million, as compared with approximately RMB7.6 million in FY2024, representing an increase by RMB4.5 million. The increase in selling expenses was mainly due to the fact that commission fee for sales of car park being higher than that of apartment and the promotion expenses for Huizhou project.

Administrative expenses

Administrative expenses for FY2025 were approximately RMB20.7 million, as compared with FY2024 of approximately RMB41.8 million, representing a decrease by approximately 50.5%, which was mainly due to the decrease in staff costs and professional expenses.

Share of profits less losses of associates

Share of profits less losses of associates recorded a loss of approximately RMB23.5 million for FY2025, and compared with a loss of approximately RMB64.9 million in FY2024, representing a decrease of approximately RMB41.4 million. This was mainly due to (i) significant decrease in impairment amount of certain inventories as compared with FY2024; (ii) no impairment loss on other receivables of the Company's associated companies being recognised for FY2025; and (iii) no provision with respect to the accrued interest in the Company's associated companies being made for FY2025.

Finance costs

Finance costs for FY2025 were approximately RMB23,000, as compared with approximately RMB18,000 in FY2024. The finance costs mainly comprised the lease liabilities in both financial years.

Income tax

For FY2025, the Group recorded income tax credit of approximately RMB25.8 million, instead of income tax expenses of approximately RMB20.6 million for FY2024, as a result of i) reversal of over provision of taxation which made in prior years and ii) decrease in the provision of taxation.

Loss for the period attributable to equity shareholders of the Company

Loss for the period attributable to equity shareholders of the Company for FY2025 was approximately RMB20.5 million, representing a decrease of approximately RMB93.3 million, as compared with the loss attributable to equity shareholders of the Company in FY2024 of approximately RMB113.8 million. The decrease in loss attributable to equity shareholders of the Company in FY2025 was mainly because of (i) the significant decrease in impairment provisions made for the properties of the Company's subsidiaries and associated companies as compared to those of FY2024; (ii) no recognition of impairment loss on other receivables of the Company's associated companies for FY2025; and (iii) no provision made with respect to the accrued interest in the Company's associated companies to Logan Shenzhen for FY2025.

Financial risk management objectives and policies

The Group's management has adopted certain policies on financial risk management with the objectives of: (i) ensuring appropriate funding strategies being adopted to meet the Group's short term and long term funding requirements after taking into consideration of the cost of funding, gearing ratios and cash flow projections of the Group; and (ii) ensuring appropriate strategies also being adopted to minimise the interest rate risk, credit risk and liquidity risk.

Foreign currency risk

The Group mainly operates in Hong Kong and the Chinese Mainland with majority of the transactions settled in HK\$ and RMB. Foreign currency risk arises when future business transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Directors consider the Group's foreign currency risk exposure is minimal since all of the sales, assets and liabilities are denominated in RMB and only a small portion of operating expenses are denominated in HK\$.

Interest rate risk

The Group did not have any bank loans during the year ended 31 December 2025. Thus, the interest rate risk was immaterial. For FY2025, the Group's interest rate risk only arose from cash at bank. Cash at bank issued at variable rates expose the Group to cash flow interest rate risk. The Group did not enter into any financial instruments to hedge against interest rate risk for FY2025, but the Board will continue to closely monitor the Group's cashflow situation in order to manage the Group's interest rate risk exposure.

Credit risk

As at 31 December 2025, no material trade debtors of the Group were past due. The Group normally receives full payment from buyers before the delivery of the property. For mortgage sales without full settlement, the Group would not deliver the property to the customers unless it obtains confirmation from the banks providing mortgage that the respective mortgages have been approved. In addition, the Group would not transfer titles of the properties to customers until full amount of sales proceeds are received. Accordingly, the Group is of the view that the expected irrecoverable trade debtors were immaterial. Thus, no bad debt provision for trade debtors was recognised during FY2025.

In addition, the Group also reviews the recoverability of other receivables from time to time and makes bad debts provisions if necessary. For FY2025, the Group made a bad debt provision for other receivables of RMB0.5 million (FY2024: RMB1.3 million).

As at 31 December 2025, all the Group's bank balances and deposits were held with major financial institutions in Hong Kong and the Chinese Mainland which the Directors believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms. The Group has not experienced and does not expect to experience any difficulties in meeting credit obligations when they fall due.

Capital expenditures

During FY2025, property, plant and equipment of RMB1.0 million were acquired (FY2024: RMB1.7 million).

Capital commitments

The Group's capital commitments as at 31 December 2025 amounted to approximately RMB2.5 million (31 December 2024: RMB2.9 million) which were mainly related to development costs for the Group's properties under development.

Charge on assets

As at 31 December 2025, certain completed properties with carrying amount of RMB nil (2024: RMB5,765,000) were pledged due to litigation disputes and sales of which are therefore restricted.

Contingent liabilities

As at 31 December 2025, the Group issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to approximately RMB67.0 million as at 31 December 2025 (31 December 2024: RMB338.5 million), will be terminated upon completion of transferring the legal title of the properties to the property buyers. The Directors consider loss arising from these guarantees as a result of default payment by customers to be insignificant, as the banks have the rights to sell the properties and recover the outstanding loan balance from sale proceeds.

The Group has not recognised any deferred income in respect of these guarantees as their fair values are considered to be insignificant.

Operating segment information

The Group's revenue and results for FY2025 were mainly derived from property development. Performance assessment is based on the results of the Group as a whole. Therefore, management of the Group considers there is only one operating segment.

The geographic information is disclosed in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for allocation of resources and performance assessment.

Significant investments, acquisition and disposals

On 24 October 2025, the Company issued the circular in relation to (i) the acquisition of 37.7% shares of Fortune Radiant City Limited; and (ii) the disposal of Fortune Brilliant City Limited.

On 19 November, 2025, the resolutions approving the relevant agreements with respect to (i) and (ii) stated above and the transactions contemplated thereunder were duly passed by the independent shareholders of the Company by way of poll.

Please refer to the Company's announcements dated 18 July 2025 and 19 November 2025, and the Company's circular dated 24 October 2025 for further details.

Lapse of major and connected transactions

References are made to (i) the announcements of Million Cities Holdings Limited dated 28 June 2024 and 31 December 2024; and (ii) the circular dated 30 July 2024 in connection with the major and connected transaction in relation to the deemed disposal through the subscription ("Subscription") of certain shares of Brillant Avenir Investment Company Limited ("Target Company"). As disclosed in the announcement of the Company dated 31 December 2024, the Company (as warrantor), Fortune Speed Investment Limited (as subscriber) and the Target Company agreed in writing to extend the long stop date to 28 June 2025.

As the parties could not reach an agreement on the treatment of the outstanding account balances between the Group and the Target Company and its subsidiaries, the parties did not agree on any further extension of the long stop date, and the Subscription has lapsed on 30 June 2025.

Please refer to the Company's announcements dated 28 June 2024, 31 December 2024 and 30 June 2025, and the Company's circular dated 30 July 2024 for further details.

Events after balance sheet date

On 14 January 2026; (i) Union Mark Limited (the “**Borrower**”), a wholly owned subsidiary of Fortune Radiant City Limited; (ii) Main Power Limited, a wholly owned subsidiary of Fortune Radiant City Limited (“**Fortune Radiant**”) and Fortune Radiant; and (iii) United Overseas Bank Limited (the “**Lender**”) entered into a facility agreement (the “**Facility Agreement**”). Pursuant to the Facility Agreement, Million Cities Development Limited (“**MCD**”), a wholly owned subsidiary of the Company, shall create a share mortgage which mortgage all of the shares held by MCD in the issued share capital of Fortune Radiant (i.e. 37.7% interest of Fortune Radiant) in favor of the Lender to secure the repayment of the loans in connection with the Facility Agreement. An extraordinary general meeting will be held to seek for independent shareholders’ approval for such mortgage. Please refer to the announcements of the Company dated 4 February 2026 and 3 March 2026 and circular of the Company dated 25 March 2026 in relation to such mortgage for further details.

Human resources and emolument policy

As at 31 December 2025, the Group had a total of 22 (2024: 41) full-time employees in the PRC and Hong Kong. For FY2025, the total staff costs, including the directors’ emoluments, amounted to approximately RMB6.5 million (2024: RMB18.2 million), of which approximately RMB0.6 million (31 December 2024: RMB1.3 million) were capitalised into inventories.

The Group’s emolument policies are formulated based on the performance and experience of individual employee and are in line with the salary trends in Hong Kong and the PRC. Other employee benefits include performance-linked bonuses, insurance and medical coverage and share options.

Since human resources management is an important factor in maintaining and enhancing the Group’s strong expertise in the property development, the Group will provide appropriate training programs to the employees as the Group sees fit. From time to time, different on-the-job trainings will be provided to employees in order to ensure continuous staff development and skills upgrading.

Remuneration policy of Directors and senior management

The Directors and senior management of the Group receive compensation in the form of salaries and discretionary bonuses related to the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Group or executing their functions in relation to the Group’s operations. The remuneration committee will regularly review and determine the remuneration and compensation package of the Directors and senior management, by

reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group.

DEED OF NON-COMPETITION

Fortune Speed Investments Limited, Winnermax Management Limited, Happy Family Assets Limited, Mr. Wong Ting Chung, Mr. Wong Ting Kau, Mr. Wong Ting Chun and Ms. Wong Wai Ling (the “**Controlling Shareholders**”), being the controlling shareholders (as defined under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) of the Company, has entered into a deed of non-competition in favour of the Company on 30 November 2018 (the “**Deed of Non-competition**”). Each of the Controlling Shareholders has irrevocably and unconditionally undertaken, jointly and severally, with the Company that he, she or it shall provide, and shall procure their associates (other than members of the Group) to provide, to the Company and the Directors from time to time (including the independent non-executive Directors) with all information necessary for the annual review by the independent non-executive Directors, subject to any relevant laws, rules and regulations or any contractual obligations, to enable them to review the Controlling Shareholders’ and their associates’ (other than members of the Group) against compliance with the Deed of Non-competition, and to enable the independent non-executive Directors to enforce the Deed of Non-competition.

Each of the Controlling Shareholders has confirmed compliance with the terms of the Deed of Non-competition and that during FY2025, there was no matter requiring deliberation by the Board in relation to the compliance and enforcement of the Deed of Non-competition. The Board comprising all the independent non-executive Directors is of the view that the Controlling Shareholders have been in compliance with the Deed of Non-competition in favour of the Company.

DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Directors do not recommend any payment of final dividend for FY2025 (2024: nil). No interim dividend for 2025 was paid to the Shareholders during FY2025 (2024: nil). The register of members of the Company will be closed from 24 June 2026 to 29 June 2026, both days inclusive, for the purpose of determining the entitlement of the Shareholders to attend the forthcoming annual general meeting, which shall be held on Monday, 29 June 2026 (the “**AGM**”), during such period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 23 June 2026.

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

For FY2025, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury shares during FY2025.

CORPORATE GOVERNANCE CODE

As the Company believes that good corporate governance can create value for its shareholders, the Board is committed to maintain a high standard of corporate governance practices by placing strong emphasis on a quality Board, sound internal controls and effective accountability to the shareholders as a whole. The Company has adopted the code provisions in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the CG Code for FY2025.

The Board will continue to enhance its corporate governance practices to ensure that it complies with the CG Code and aligns with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 for securities transactions by the Directors.

All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for FY2025.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on terms no less exacting than the required standards set out in the Model Code. Each of the relevant employees has been given a copy of the written guidelines.

No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for FY2025.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D3 of the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, to oversee the audit process, to develop and review policies and to perform other duties and responsibilities as assigned by the Board. For FY2025, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Li Yinquan (chairman of the Audit Committee who possesses the appropriate professional qualification or accounting or related financial management expertise), Mr. Ip Shu Kwan, Stephen, and Ms. Man Wing Yee, Ginny. The written terms of reference of the Audit Committee has been made available on the Company’s website at www.millioncities.com.cn and on the website of the Stock Exchange. The Audit Committee has reviewed, together with the management of the Group, the accounting principles and practices adopted by the Group, and has discussed internal controls and financial reporting matters including a review of the consolidated financial statements of the Group for FY2025. The annual results have been reviewed and approved by the Audit Committee.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2025 as set out in this preliminary announcement have been compared by the Group’s auditor, BDO, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by BDO in this respect did not constitute an audit, review or other 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 BDO on this preliminary announcement.

**PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND
2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND
THE COMPANY**

This results announcement is published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://www.millioncities.com.cn>. The annual report for FY2025 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Million Cities Holdings Limited
Wong Ting Chung
Chairman and executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the chairman and executive Director is Mr. Wong Ting Chung; another executive Directors is Mr. Li Wa Tat, Benedict; the non-executive Directors are Mr. Lau Ka Keung and Ms. Wong Wai Ling; and the independent non-executive Directors are Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Ms. Man Wing Yee, Ginny.