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禹洲集團控股有限公司

YUZHOU GROUP HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01628)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “**Board**”) of Yuzhou Group Holdings Company Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (the “**Group**” or “**Yuzhou Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and reviewed by the audit committee of the Board.

FINANCIAL HIGHLIGHTS

1. Revenue decreased by 30.52% year-on-year to RMB6,751.31 million in 2025.
2. Profit attributable to owners of the Company was RMB24,930.48 million in 2025, compared to loss attributable to owners of the Company of RMB11,966.84 million in 2024. The Group recorded gain from offshore debt restructuring of RMB32,621.30 million and revaluation gain on remeasurement of financial guarantee contracts of RMB2,027.10 million in 2025. Excluding the impact of above-mentioned one-off gain related to debt restructuring, loss attributable to owners of the Company was RMB9,717.93 million in 2025, down by 18.79% year-on-year.
3. Cash and bank balances (including restricted cash) amounted to RMB2,456.80 million, down by 17.48% year-on-year.
4. Contracted sales was RMB6,728.33 million in 2025, down by 15.40% year-on-year.
5. Contracted liabilities was RMB1,975.31 million in 2025, down by 63.16% year-on-year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	3	6,751,309	9,716,264
Cost of sales		<u>(6,633,820)</u>	<u>(9,540,325)</u>
Gross profit		117,489	175,939
Fair value loss on investment properties, net		(1,158,761)	(1,048,026)
Other income and gains	3	32,939,737	64,090
Selling and distribution expenses		(202,916)	(211,088)
Administrative expenses		(420,036)	(848,068)
Other expenses		(38,126)	(364,914)
Write-down of properties held for sale, properties under development and land held for property development for sale to net realisable value		(6,768,989)	(6,612,235)
Impairment of investments in joint ventures and associates		(472,088)	(114,316)
Impairment of other receivables		(1,474,558)	(1,584,411)
Remeasurement of financial guarantee contracts		2,027,100	(233,831)
Finance costs	5	(3,084,650)	(3,964,401)
Share of profits and losses of joint ventures		(179,602)	477,928
Share of profits and losses of associates		(393,553)	(396,965)
PROFIT/(LOSS) BEFORE TAX	6	20,891,047	(14,660,298)
Income tax credit/(expense)	7	358,831	(114,565)
PROFIT/(LOSS) FOR THE YEAR		<u>21,249,878</u>	<u>(14,774,863)</u>
Attributable to:			
Owners of the Company		24,930,477	(11,966,840)
Non-controlling interests		<u>(3,680,599)</u>	<u>(2,808,023)</u>
		<u>21,249,878</u>	<u>(14,774,863)</u>
			(Restated)
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic (RMB cents per share)	9	<u>2,414.22</u>	<u>(1,615.39)</u>
– Diluted (RMB cents per share)	9	<u>2,414.22</u>	<u>(1,615.39)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT/(LOSS) FOR THE YEAR	<u>21,249,878</u>	<u>(14,774,863)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>789,356</u>	<u>(768,791)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Surplus on properties revaluation	–	42,408
Income tax effect of properties revaluation	–	(10,602)
Changes in financial assets at fair value through other comprehensive income	<u>–</u>	<u>(6,367)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>–</u>	<u>25,439</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>789,356</u>	<u>(743,352)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>22,039,234</u>	<u>(15,518,215)</u>
Attributable to:		
Owners of the Company	<u>25,719,833</u>	<u>(12,710,192)</u>
Non-controlling interests	<u>(3,680,599)</u>	<u>(2,808,023)</u>
	<u>22,039,234</u>	<u>(15,518,215)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	2,029,108	2,106,871
Investment properties	9,951,500	11,188,200
Investments in joint ventures	971,897	2,060,673
Investments in associates	4,215,400	4,847,499
Financial assets at fair value through profit or loss	5,100	5,100
Deferred tax assets	622,000	683,170
	<hr/>	<hr/>
Total non-current assets	17,795,005	20,891,513
	<hr/>	<hr/>
CURRENT ASSETS		
Land held for property development for sale	1,288,359	1,624,455
Properties under development	7,809,858	18,112,748
Properties held for sale	13,589,719	13,037,581
Prepayments, other receivables and other assets	22,951,622	24,856,097
Prepaid corporate income tax	592,138	695,411
Prepaid land appreciation tax	834,766	871,841
Financial assets at fair value through profit or loss	3,976	–
Restricted cash	1,420,936	1,858,068
Cash and cash equivalents	1,035,867	1,119,141
	<hr/>	<hr/>
Total current assets	49,527,241	62,175,342
	<hr/>	<hr/>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
CURRENT LIABILITIES			
Contract liabilities		1,975,314	5,361,237
Trade payables	<i>10</i>	4,268,504	7,960,003
Other payables and accruals		13,934,308	24,030,690
Interest-bearing bank and other borrowings		2,461,729	5,625,105
Corporate bonds	<i>11</i>	485,250	900,000
Senior notes	<i>12</i>	105,432	38,789,815
Corporate income tax payables		1,689,319	1,979,475
Provision for land appreciation tax		1,261,960	1,330,573
		<hr/>	<hr/>
Total current liabilities		26,181,816	85,976,898
		<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		23,345,425	(23,801,556)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		41,140,430	(2,910,043)
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		3,917,553	5,330,302
Corporate bonds	<i>11</i>	2,281,750	1,975,000
Senior notes	<i>12</i>	23,874,661	–
Deferred tax liabilities		1,009,635	1,520,341
		<hr/>	<hr/>
Total non-current liabilities		31,083,599	8,825,643
		<hr/>	<hr/>
Net assets/(liabilities)		10,056,831	(11,735,686)
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital		1,319,731	559,947
Senior perpetual securities		–	1,911,986
Reserves		12,145,291	(15,019,383)
		<hr/>	<hr/>
		13,465,022	(12,547,450)
Non-controlling interests		(3,408,191)	811,764
		<hr/>	<hr/>
Total equity/(capital deficiency)		10,056,831	(11,735,686)
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Notes:

1. BASIS OF PRESENTATION

For the year ended 31 December 2025, the Group's profit for the year attributable to owners of the Company totalled RMB24,930,477,000. Excluding the impacts of the one-off, non-cash and non-core operating gain from offshore debt restructuring (the "**Restructuring Gain**") of RMB32,621,303,000 and the gain on remeasurement of financial guarantee contracts (the "**Revaluation Gain**") of RMB2,027,100,000, the Group still recorded a loss for the year attributable to owners of the Company of RMB9,717,926,000. As at 31 December 2025, the Group had current interest-bearing bank and other borrowings of RMB2,461,729,000, current corporate bonds of RMB485,250,000 and current senior notes of US\$15,000,000 (equivalent to RMB105,432,000), while its cash and cash equivalent was RMB1,035,867,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of the aforesaid, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and business performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The validity of the going concern assumptions on which the consolidated financial statements have been prepared, depends on the following plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group:

- (a) The Group will continue to accelerate the sale of properties, and proactively take measures to improve the recoverability rate of the sales proceeds.
- (b) The Group will continue to implement measures to activate the existing assets.
- (c) The Group will continue to implement an asset disposal plan for investment properties to replenish liquidity.
- (d) The Group will recover funds through business optimization and the disposal of equity investments, while proactively maintaining its strategic focus and resource consolidation.
- (e) The Group will continue to negotiate with banks and other financial institutions on repayment extensions, refinancing and new financing to alleviate working capital pressure. Meanwhile, with the support of policies, the Group will seek new financial facilities in the capital market.

- (f) The Group will continue to monitor its cash flow and work with professional advisers to assess and take necessary steps to prevent or mitigate imminent risk of non-payment (if any) in respect of the Group's outstanding debts. In the event of a funding shortfall, the Group will promptly implement liability management on debts, including but not limited to the new notes, to ensure that its obligations can be met.
- (g) The Group will continue to implement cost control measures and minimized capital expenditures to preserve liquidity for on-going development of its existing property development projects and operation of other businesses.

The Directors have reviewed the Group's cash flow projections prepared by the management, which cover a period up to 31 March 2027. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient financial resources to meet its financial obligations as they fall due for the next fifteen months based on its projected cash flow forecasts.

Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis. Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) the successful and timely implementation of the plans to accelerate the sale of properties, proactively improve the collection rate of the sales proceeds and other receivables, and control costs so as to generate adequate net cash inflows;
- (b) the successful disposal of assets as and when needed; and
- (c) the successful renewal of the Group's outstanding debts, refinancing and new financing as and when needed;

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

3. REVENUE, OTHER INCOME AND GAINS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue		
<i>Revenue from contracts with customers</i>		
Sale of properties	6,296,953	9,226,399
Property management fee income	224,985	267,304
Hotel operation income	4,448	1,103
	<u>6,526,386</u>	<u>9,494,806</u>
<i>Revenue from other sources</i>		
Rental income from investment properties	224,923	221,458
	<u>6,751,309</u>	<u>9,716,264</u>
Other income and gains		
Bank interest income	17,939	30,525
Gain on disposal of subsidiaries, net	–	1,597
Gain on disposal of joint ventures and associates, net	222,285	11,813
Gain from offshore debt restructuring	32,621,303	–
Exchange gains	39,500	–
Others	38,710	20,155
	<u>32,939,737</u>	<u>64,090</u>

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the property investment segment invests in properties for their rental income potential and/or for capital appreciation;
- (c) the property management segment engages in the provision of property management services;
- (d) the hotel operation segment engages in the operation of hotels; and
- (e) the others segment comprises corporate income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/profit, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/profit before tax except that interest income, finance costs and gain from offshore debt restructuring are excluded from such measurement. Segment assets and liabilities are not reported to the Group's chief operating decision maker regularly.

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

Year ended 31 December 2025

	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Hotel operation RMB'000	Others RMB'000	Total RMB'000
Segment revenue						
Sales to external customers	6,296,953	224,923	224,985	4,448	-	6,751,309
Other income and gains	297,034	19	570	3	2,869	300,495
Total	6,593,987	224,942	225,555	4,451	2,869	7,051,804
Segment results	(7,666,756)	(998,985)	18,177	4,075	(20,056)	(8,663,545)
<i>Reconciliation:</i>						
Interest income						17,939
Finance costs						(3,084,650)
Gain from offshore debt restructuring						32,621,303
Profit before tax						20,891,047
Other segment information:						
Depreciation	35,453	24,707	2,284	219	164	62,827
Capital expenditure*	716	22	-	-	-	738
Fair value loss on investment properties, net	-	1,158,761	-	-	-	1,158,761
Impairment of investments in joint ventures and associates	472,088	-	-	-	-	472,088
Impairment of other receivables	1,474,558	-	-	-	-	1,474,558
Remeasurement of financial guarantee contracts	(2,027,100)	-	-	-	-	(2,027,100)
Share of losses of joint ventures	179,602	-	-	-	-	179,602
Share of losses of associates	393,553	-	-	-	-	393,553
Write-down of properties held for sale, properties under development and land held for property development for sale to net realisable value	6,768,989	-	-	-	-	6,768,989
Investments in joint ventures	971,897	-	-	-	-	971,897
Investments in associates	4,215,400	-	-	-	-	4,215,400

* Capital expenditure consists of additions to property, plant and equipment and investment properties.

Year ended 31 December 2024

	Property development RMB '000	Property investment RMB '000	Property management RMB '000	Hotel operation RMB '000	Others RMB '000	Total RMB '000
Segment revenue						
Sales to external customers	9,226,399	221,458	267,304	1,103	–	9,716,264
Other income and gains	32,077	842	303	–	343	33,565
Total	9,258,476	222,300	267,607	1,103	343	9,749,829
Segment results	(9,683,443)	(1,081,431)	90,057	(346)	(51,259)	(10,726,422)
<i>Reconciliation:</i>						
Interest income						30,525
Finance costs						(3,964,401)
Loss before tax						(14,660,298)
Other segment information:						
Depreciation	33,352	26,318	2,125	1,262	301	63,358
Capital expenditure*	358	1,162	310	–	–	1,830
Fair value loss on investment properties, net	–	1,048,026	–	–	–	1,048,026
Fair value loss on properties revaluation	197,766	–	–	–	–	197,766
Impairment on property, plant and equipment	61,940	–	–	–	–	61,940
Impairment of goodwill	65,963	–	–	–	–	65,963
Impairment of investments in joint ventures and associates	114,316	–	–	–	–	114,316
Impairment of other receivables	1,584,411	–	–	–	–	1,584,411
Remeasurement of financial guarantee contracts	233,831	–	–	–	–	233,831
Share of profits of joint ventures	(477,928)	–	–	–	–	(477,928)
Share of losses of associates	396,965	–	–	–	–	396,965
Write-down of properties held for sale and properties under development to net realisable value	6,612,235	–	–	–	–	6,612,235
Investments in joint ventures	2,060,673	–	–	–	–	2,060,673
Investments in associates	4,847,499	–	–	–	–	4,847,499

* *Capital expenditure consists of additions to property, plant and equipment and investment properties.*

Information about a major customer

There were no sales to a single external customer which amounted to 10% or more of the Group's revenue during the years ended 31 December 2025 and 2024.

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on interest-bearing bank and other borrowings, corporate bonds and senior notes	3,281,463	4,301,215
<i>Less:</i> Interest capitalised	<u>(196,813)</u>	<u>(336,814)</u>
	<u>3,084,650</u>	<u>3,964,401</u>

6. PROFIT/(LOSS) BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation	62,827	63,358
Impairment on property, plant and equipment*	–	61,940
Fair value loss on properties revaluation*	–	197,766
Impairment of goodwill*	–	65,963
Employee benefit expense (including Directors' and chief executive officer's remuneration)		
Wages and salaries	135,557	123,361
Equity-settled share option expense	1,694	3,164
Retirement benefit scheme contributions	18,272	18,877
<i>Less:</i> Amount capitalised	<u>(14,416)</u>	<u>(19,384)</u>
	<u>141,107</u>	<u>126,018</u>

* *These items are included in "Other expenses" in the consolidated statement of profit or loss.*

7. INCOME TAX

No provision for Hong Kong profits tax has been made for the current year as the Group has no assessable profits arising in Hong Kong during the year (2024: Nil). The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for the year.

An analysis of the income tax (credits)/charges for the year is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current:		
PRC corporate income tax		
– Charge for the year	57,655	86,260
– Over provision in prior years	(79,307)	(40,087)
PRC land appreciation tax	<u>112,357</u>	<u>125,388</u>
	<u>90,705</u>	<u>171,561</u>
Deferred:		
Current year	<u>(449,536)</u>	<u>(56,996)</u>
Total tax (credits)/charge for the year	<u><u>(358,831)</u></u>	<u><u>114,565</u></u>

The Group falls within the scope of the Global Anti Base Erosion Model Rules (“**Pillar Two**”) issued by the Organisation for Economic Cooperation and Development, with subsidiaries operating in some jurisdictions that have legislated domestic Pillar Two income tax requirements in alignment with this framework.

The Group’s earnings are subject to domestic minimum top-up taxes in Hong Kong and Singapore (effective from 1 January 2025). From 1 January 2025, the Group is also liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 in respect of its earnings from operations in British Virgin Islands, Mainland China, and Samoa, even though these jurisdictions have not yet enacted Pillar Two legislation.

The Group has assessed its potential Pillar Two income tax exposure in these jurisdictions based on the information available regarding the financial performance of the Group for the year ended 31 December 2025. Based on the assessment, all of the jurisdictions the Group operates, except for Hong Kong, qualify for the Transitional Country-by-Country Reporting Safe Harbor, and as a result, the Pillar Two income tax exposure for these jurisdictions is deemed to be zero. While the Group does not qualify for the Transitional Country-by-Country Reporting Safe Harbour in Hong Kong, it does not expect any potential exposure to Pillar Two top-up tax.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in May 2023.

The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial statements.

8. DIVIDENDS

The Directors did not recommend the payment of a final dividend for the years ended 31 December 2025 and 2024.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount for the year ended 31 December 2025 is based on the earnings/(loss) for the year attributable to owners of the Company, adjusted for the distribution related to senior perpetual securities, and the weighted average number of ordinary shares of 1,028,103,712 (2024: 758,296,188*) in issue less the weighted average number of shares of 1,032,450 (2024: 1,032,450*) held under the share award scheme during the year.

The calculation of the diluted earnings/(loss) per share amount is based on the earnings/(loss) attributable to ordinary equity holders, adjusted for the distribution related to senior perpetual securities, and the weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the year, as used in the basic earnings/(loss) per share calculation, and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares (see below).

The calculations of the basic and diluted earnings/(loss) per share are based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings/(loss)		
Earnings/(loss) attributable to owners of the Company	24,930,477	(11,966,840)
Distribution related to senior perpetual securities	<u>(134,707)</u>	<u>(265,928)</u>
Earnings/(loss) used in the basic and diluted earnings/(loss) per share calculations	<u><u>24,795,770</u></u>	<u><u>(12,232,768)</u></u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the year, used in the basic earnings/(loss) per share calculation	<u>1,027,071,262</u>	<u>757,263,738*</u>
Weighted average number of ordinary shares in issue during the year, used in the diluted earnings/(loss) per share calculation	<u><u>1,027,071,262</u></u>	<u><u>757,263,738*</u></u>

* The weighted average number of ordinary shares for the year ended 31 December 2024 has been retrospectively adjusted to reflect the share consolidation and the bonus element arising from the rights issue.

10. TRADE PAYABLES

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	1,149,172	4,784,145
1 to 2 years	<u>3,119,332</u>	<u>3,175,858</u>
	<u>4,268,504</u>	<u>7,960,003</u>

The trade payables are non-interest-bearing and unsecured.

11. CORPORATE BONDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Corporate bonds due in 2024	1,075,000	1,075,000
Corporate bonds due in 2025	<u>1,692,000</u>	<u>1,800,000</u>
	2,767,000	2,875,000
Portion classified as current liabilities	<u>(485,250)</u>	<u>(900,000)</u>
Non-current liabilities	<u>2,281,750</u>	<u>1,975,000</u>

Included in the above are bonds in an aggregate principal amount of:

- (i) RMB2,000,000,000 corporate bonds due in 2024 issued by a subsidiary of the Company in April 2019 (the “**6.5% Corporate Bonds**”). The 6.5% Corporate Bonds have a term of five years and bear interest at a rate of 6.5% per annum. The 6.5% Corporate Bonds are unsecured. At the end of the second, third and fourth year, the subsidiary of the Group shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to the Group. In April 2021, the coupon rate was adjusted to 6.98% per annum. During the year ended 31 December 2023, a large Chinese state-owned asset management company repaid 6.5% Corporate Bonds with a principal amount of RMB925,000,000 on behalf of the Company. In April 2024, the coupon rate was adjusted to 6% per annum, and the Group obtained approval from the respective bondholders of the 6.5% Corporate Bonds for the extension of the maturity date. According to the related extension arrangement, the Group is required to settle 15% of the outstanding principal in 2026 and the remaining 85% of the outstanding principal in 2027, therefore the remaining balances of RMB161,250,000 and RMB913,750,000 as at 31 December 2025 are classified as current liabilities and non-current liabilities. The 6.5% Corporate Bonds were classified as non-current liabilities as at 31 December 2024.

- (ii) RMB1,500,000,000 corporate bonds due in 2025 issued by a subsidiary of the Company in July 2020 (the “**6.5% Corporate Bonds II**”). The 6.5% Corporate Bonds II have a term of five years and bear interest at a rate of 6.5% per annum. At the end of the second and fourth year, the subsidiary of the Group shall be entitled to adjust the coupon rate of corporate bonds and the bondholders shall be entitled to sell back the bonds to the Group. During the years ended 31 December 2023 and 2024, the Group repaid RMB356,250,000 and RMB168,750,000 of the corporate bonds respectively. During the reporting period, the Group repaid RMB54,000,000 of the corporate bonds and the remaining balance is RMB846,000,000 as at 31 December 2025. In January 2025, the Group has agreed to change repayment terms with respective bondholders in which the balances of RMB162,000,000 6.5% Corporate Bonds II are becoming due before 31 December 2026 and therefore classified as current liabilities as at 31 December 2025. The remaining balances of RMB270,000,000 and RMB414,000,000 are becoming due in 2027 and 2028, respectively, which are classified as non-current liabilities as at 31 December 2025. The 6.5% Corporate Bond II are pledged over the Group’s equity interests in certain subsidiaries. The balances of RMB450,000,000 and RMB450,000,000 were classified as current liabilities and non-current liabilities respectively as at 31 December 2024.
- (iii) RMB1,500,000,000 corporate bonds due in 2025 issued by a subsidiary of the Company in September 2020 (the “**6.5% Corporate Bonds III**”). The 6.5% Corporate Bonds III have a term of five years and bear interest at a rate of 6.5% per annum. At the end of the second and fourth year, the subsidiary of the Group shall be entitled to adjust the coupon rate of corporate bonds and the bondholders shall be entitled to sell back the bonds to the Group. During the years ended 31 December 2023 and 2024, the Group repaid RMB356,250,000 and RMB168,750,000 of the corporate bonds respectively. During the reporting period, the Group repaid RMB54,000,000 of the corporate bonds and the remaining balance is RMB846,000,000 as at 31 December 2025. In January 2025, the Group has agreed to change repayment terms with respective bondholders in which the balances of RMB162,000,000 6.5% Corporate Bonds III are becoming due before 31 December 2026 and therefore classified as current liabilities as at 31 December 2025. The remaining balances of RMB270,000,000 and RMB414,000,000 are becoming due in 2027 and 2028, respectively, which are classified as non-current liabilities as at 31 December 2025. The 6.5% Corporate Bond III are pledged over the Group’s equity interests in certain subsidiaries. The balances of RMB45,000,000 and RMB450,000,000 were classified as current liabilities and non-current liabilities respectively as at 31 December 2024.

12. SENIOR NOTES

		2025				2024			
		Effective interest rate (%)	Maturity	Carry amount at amortised cost RMB'000	Outstanding principal and interest amount USD'000	Effective interest rate (%)	Maturity	Carry amount at amortised cost RMB'000	Outstanding principal and interest amount USD'000
2016 Senior Notes-6%	(a)	6.26	2023	-	-	6.26	2023	1,778,172	305,208
2017 Senior Notes-6%	(b)	6.35	2022	-	-	6.35	2022	83,532	14,161
2019 Senior Notes-8.625%	(c)	9.40	2022	-	-	9.40	2022	102,714	18,721
2019 Senior Notes I-8.5%	(d)	8.81	2023	-	-	8.81	2023	3,556,345	665,986
2019 Senior Notes II-8.5%	(e)	8.85	2024	-	-	8.85	2024	3,556,345	663,389
2019 Senior Notes-6%	(f)	7.74	2023	-	-	7.74	2023	2,845,076	488,333
2019 Senior Notes-8.375%	(g)	8.63	2024	-	-	8.63	2024	3,535,007	649,620
2019 Senior Notes-8.3%	(h)	8.56	2025	-	-	8.56	2025	3,440,022	630,881
2020 Senior Notes-7.375%	(i)	7.52	2026	-	-	7.52	2026	4,501,284	799,123
2020 Senior Notes-7.7%	(j)	7.87	2025	-	-	7.87	2025	2,830,172	518,922
2020 Senior Notes-7.85%	(k)	8.01	2026	-	-	8.01	2026	2,084,319	384,928
2021 Senior Notes-6.35%	(l)	6.36	2027	-	-	6.36	2027	3,919,641	679,516
2021 Senior Notes-8.5%	(m)	18.06	2022	-	-	18.06	2022	817,959	151,846
2021 Senior Notes-9.95%	(n)	14.06	2023	-	-	14.06	2023	1,273,171	246,878
2021 Senior Notes-12%	(o)	14.66	2023	-	-	14.66	2023	711,269	142,000
2022 Senior Notes-7.8125%	(p)	10.07	2023	-	-	10.07	2023	3,754,787	669,958
2025 Senior Notes-6.00%	(q)	11.87	2027	2,693,069	410,053	-	-	-	-
2025 Senior Notes-4.00%	(r)	11.75	2028	2,360,294	401,132	-	-	-	-
2025 Senior Notes-4.50%	(s)	11.73	2029	3,918,824	700,209	-	-	-	-
2025 Senior Notes-5.00%	(t)	11.76	2030	5,044,054	936,890	-	-	-	-
2025 Senior Notes-5.50%	(u)	11.83	2031	6,898,255	1,317,444	-	-	-	-
2025 Senior Notes-1.00%	(v)	12.05	2034	3,065,597	1,053,751	-	-	-	-
				<u>23,980,093</u>	<u>4,819,479</u>			<u>38,789,815</u>	<u>7,029,470</u>
Portion classified as current liabilities				<u>(105,432)</u>	<u>(15,000)</u>			<u>(38,789,815)</u>	<u>(7,029,470)</u>
Non-current liabilities				<u>23,874,661</u>	<u>4,804,479</u>			<u>-</u>	<u>-</u>

Note:

Effective on 29 August 2025, the offshore creditors discharged the existing offshore debts of the Company amounting to approximately US\$6,677,960,000, which include US\$300,000,000 of senior perpetual securities classified as equity instruments, in exchange for the issue of the new senior notes, the payment of cash consideration and the issue of new ordinary shares of the Company.

The offshore debt restructuring was regarded as a substantial modification under the relevant accounting standards. As a result, the existing financial liabilities in relation to the offshore debts, including all the original senior notes set out in (a) to (p) above, were fully derecognized, and the senior perpetual securities classified as equity instruments were also fully derecognized in equity. The new financial liability set out in (q) to (v) above, being the US\$4,720,908,000 new senior notes, was recognized at its fair value of US\$3,286,524,000 at the effective date of the offshore debt restructuring (i.e. 29 August 2025).

Subsequent to the initial recognition, the carrying amounts of the new senior notes are measured at amortized cost in accordance with the relevant accounting standards.

13. EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 11 February 2026, on 11 February 2026, the Company and Xiamen Zongheng Group (as defined in the aforesaid announcement) mutually agreed and entered into a termination agreement, pursuant to which the Integrated Services Master Agreement (as defined in the aforesaid announcement), which was originally entered into on 31 December 2025, shall terminate with immediate effect. Following the termination, Xiamen Zongheng Group shall cease to provide the Group with the Integrated Services (as defined in the aforesaid announcement).

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

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

Opinion

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

Material Uncertainty Related to the Going Concern

We draw attention to note 2 to the consolidated financial statements which discloses that, for the year ended 31 December 2025, the Group’s profit for the year attributable to owners of the Company totalled RMB24,930,477,000. Excluding the impacts of the one-off, non-cash and non-core operating gain from offshore debt restructuring of RMB32,621,303,000 and the gain on remeasurement of financial guarantee contracts of RMB2,027,100,000, the Group still recorded a loss for the year attributable to owners of the Company of RMB9,717,926,000. As at 31 December 2025, the Group had current interest-bearing bank and other borrowings of RMB2,461,729,000, current corporate bonds of RMB485,250,000 and current senior notes of US\$15,000,000 (equivalent to RMB105,432,000), while its cash and cash equivalent was RMB1,035,867,000.

This condition, along with other matters as disclosed in note 2 to the consolidated financial statements, indicates the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have considered the measures being taken by the Group, and are of the opinion that the Group would be able to continue on going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Market and Business Review

In 2025, the real estate sales market extended its downturn amid deep adjustments. According to data from the National Bureau of Statistics, the annual sales of newly built commodity housing amounted to RMB8,393.7 billion with a year-on-year decrease of 12.6%, reflecting the industry still navigating a deep adjustment cycle featuring both bottoming out and transformation. In the first half of the year, under the framework of “city-specific policies”, local authorities rolled out continuous policy optimizations for the real estate sector, including relaxing purchase constraints, reducing down payment ratios and lowering mortgage rates, which provided some support for the market. Nevertheless, the impact of these policies faded progressively each month, and downward pressure on the market resurfaced in the third quarter. In late September and early in the fourth quarter, the central and local governments jointly introduced a new set of comprehensive measures covering demand-side stimulation, financing support for real estate enterprises and intensified efforts to “guaranteeing housing delivery”. While this package boosted market sentiment and spurred a rebound in fourth-quarter transactions, the recovery proved limited and short-lived, ultimately failing to reverse the year-on-year decline in full-year sales.

In the overall weak market environment of the real estate industry, Yuzhou Group’s annual sales performance also failed to meet expectations. In 2025, Yuzhou Group achieved contracted sales of RMB6,728.33 million with a year-on-year drop of 15.40%. On one hand, in order to accelerate cash collection and mitigate liquidity pressure, real estate enterprises generally adopted aggressive discounting strategies in peripheral areas of core cities and lower-tier cities, resulting in relatively large price adjustments for certain projects. On the other hand, the practice of “trading price for volume” became more common in the second-hand housing market. As homeowner expectations continued to soften, listing prices were lowered repeatedly to drive deals, further shifting the focus of market transactions from new homes to second-hand homes. Apart from relatively resilient performance at high-end move-up projects in several core cities, the new home market faced persistent destocking pressures, with its market share continuously squeezed by the second-hand home segment. The decline in sales directly reduced the Company’s sales proceeds and substantially intensified its cash flow pressure. Meanwhile, rigid expenditures at the domestic project level of Yuzhou Group, including principal and interest repayments on bank borrowings and payments for construction works, remained substantial and further strained the Company’s liquidity. Consequently, almost all sales proceeds had to be applied to operating expenses at the project level, making it difficult for the Group to recover funds from project companies. The repatriation of funds to the Group’s headquarters was severely constrained, which further limited the Group’s flexibility for capital allocation and would gradually deplete the Group’s cash reserves.

Since the second half of 2021, Yuzhou Group has ceased land acquisitions, and continued sales in recent years have largely reduced its stock of high-quality housing inventory. The remaining saleable resources mainly consist of hard-to-sell residual residential units, commercial shops and parking spaces, which will impose significant pressure on future inventory clearance. Amid persistently weak sales, Yuzhou’s repayment of principal and interest on its existing debt also faces certain risks. Although the Company has adopted a series of cost reduction and efficiency improvement measures to preserve liquidity, including organizational restructuring, optimization of staffing structure, reduction of office space and lowering of employee compensation, the Company’s future operating environment remains highly challenging, and the overall pressure has not been fundamentally relieved.

Overall Performance

During the year, the revenue of the Group was RMB6,751.31 million, down by 30.52% year-on-year. The profit attributable to owners of the Company for the year was RMB24,930.48 million. If excluding the impact of one-off gain from offshore debt restructuring of RMB32,621.30 million and gain on remeasurement of financial guarantee contracts of RMB2,027.10 million, loss attributable to owners of the Company was RMB9,717.93 million in 2025. The total equity amounted to RMB10,056.83 million. The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

Sale of Properties

During the year, the Group's revenue from property sales was RMB6,296.95 million, accounting for 93.27% of the total revenue of the Group. The Group delivered a total gross floor area ("GFA") of approximately 696,047 sq.m.. The average selling price of the properties delivered and recognized as property sales in 2025 was RMB9,047 per sq.m..

The Group's recognized revenue from property sales derived from a number of regions across the country, including the Central China Region, Yangtze River Delta Region, Guangdong – Hong Kong – Macao Greater Bay Area (the "Greater Bay Area"), Bohai Rim Region, Southwest Region and West Strait Economic Zone, which contributed 32.21%, 27.90%, 20.89%, 12.49%, 3.29% and 3.22% of the recognized revenue, respectively. Going forward, the Group will stick to its strategy of "Leading with Locality Development", facilitate synergetic development of various regions and inject more diversity into the revenue streams of the Group.

The recognized sales and GFA sold in each region in 2025 are set out in the following table:

Name of Regions	Amount (RMB'000)	Saleable GFA (sq.m.)	Average Selling Price (after tax) (RMB/sq.m.)
West Strait Economic Zone	202,985	33,432	6,072
Yangtze River Delta Region	1,756,662	149,933	11,716
Bohai Rim Region	786,474	107,472	7,318
Central China Region	2,028,146	268,680	7,549
Greater Bay Area	1,315,723	96,790	13,594
Southwest Region	206,963	39,740	5,208
Total sales of properties recognized	<u>6,296,953</u>	<u>696,047</u>	<u>9,047</u>

The recognized sales and GFA sold in each region in 2024 are set out in the following table:

Name of Regions	Amount <i>(RMB'000)</i>	Saleable GFA <i>(sq.m.)</i>	Average Selling Price (after tax) <i>(RMB/sq.m.)</i>
West Strait Economic Zone	221,361	33,397	6,628
Yangtze River Delta Region	4,210,238	291,262	14,455
Bohai Rim Region	955,351	120,479	7,930
Central China Region	2,571,645	221,071	11,633
Greater Bay Area	392,941	59,490	6,605
Southwest Region	874,863	89,631	9,761
Total sales of properties recognized	<u>9,226,399</u>	<u>815,330</u>	<u>11,316</u>

Contracted Sales

As of 31 December 2025, the Group's accumulated contracted sales amounted to RMB6,728.33 million. The GFA of contracted sales amounted to 487,999 sq.m. and the contracted average selling price was approximately RMB13,788 per sq.m..

The Yangtze River Delta Region recorded contracted sales of RMB3,479.71 million in 2025, accounting for 51.72% of the Group's total contracted sales and remained the larger contributor to the contracted sales of the Group. In particular, Shanghai, Hangzhou, Hefei, Suzhou, Wuxi, Yangzhou and Shaoxing constituted the core cities of our footprint in this region, contributing aggregate contracted sales of RMB2,762.52 million, which fully demonstrated the Group's stellar performance in its locality development strategy in the Yangtze River Delta Region. The total contracted sales of the Greater Bay Area amounted to RMB1,742.40 million, accounting for 25.89% of the Group's total contracted sales, reflecting the advantage and achievement of Yuzhou Group's strategic footprint in the Greater Bay Area. The total contracted sales of the Bohai Rim Region and West Strait Economic Zone amounted to RMB785.11 million, accounting for 11.67% of the Group's total contracted sales. The Southwest Region and Central China Region also contributed total contracted sales in the amount of RMB721.11 million, accounting for 10.72% of the Group's total contracted sales.

In 2025, the real estate market was seeking to find its bottom amid ongoing corrections. Constrained by the macroeconomic backdrop and residents' income expectations, coupled with a slow recovery in market confidence, the usual first-quarter "short-lived resurgence" in sales was subdued, putting the overall performance under pressure at the start of the year. In the second quarter, supported by the cumulative impact of earlier policies and the continued "trading price for volume" strategy adopted by some real estate enterprises, market activity picked up temporarily. In particular, several core cities experienced a short-lived improvement following policy optimization, but subsequent momentum showed signs of weakening, dragging the market back into volatile consolidation. At the end of the third quarter, as more robust and comprehensive real estate stabilizing policies were successively introduced and implemented, market expectations were gradually lifted. As a result, fourth-quarter sales gradually stopped falling and showed a year-end rebound, indicating marginal improvement supported by policies. Faced with a complex and severe industry environment, Yuzhou Group has maintained a proactive approach, making every effort to stabilize operations and boost sales. The Company closely monitors policies and market trends, and adjusts marketing strategies dynamically to capitalize on policy-driven opportunity windows and support sales progress based on its deep insights into local markets and customer needs. At the same time, the Group has continuously deepened its "moderate and excellent" operation philosophy, keeping up with changes in customer acquisition channels and consumer decision journeys. It has fully upgraded "Yuzhou Star Power" and expanded presence across the new-media landscape. Full-time new-media positions have been established for urban platforms and some key projects, with clear division of labor to enhance overall professionalism. Incentive mechanisms have been optimized with tiered performance metrics and sales rewards to effectively motivate the team. Meanwhile, standardized tools such as a new-media content library have been set up to ensure precise audience targeting.

The contracted sales and GFA sold in each region in 2025 are set out in the following table:

Name of Regions	Amount of Contracted Sales (RMB'000)	GFA of Contracted Sales (sq.m.)	Average Contracted Selling Price (RMB/sq.m.)
West Strait Economic Zone	129,246	11,764	10,987
Yangtze River Delta Region	3,479,710	248,494	14,003
Central China Region	423,351	40,744	10,391
Greater Bay Area	1,742,396	83,568	20,850
Southwest Region	297,757	28,778	10,347
Bohai Rim Region	655,867	74,651	8,786
Total	6,728,327	487,999	13,788

The contracted sales and GFA sold in each region in 2024 are set out in the following table:

Name of Regions	Amount of Contracted Sales (RMB'000)	GFA of Contracted Sales (sq.m.)	Average Contracted Selling Price (RMB/sq.m.)
West Strait Economic Zone	239,814	26,037	9,211
Yangtze River Delta Region	3,774,965	226,843	16,641
Central China Region	661,735	56,259	11,762
Greater Bay Area	2,153,434	124,481	17,299
Southwest Region	399,662	35,370	11,299
Bohai Rim Region	723,495	76,797	9,421
Total	<u>7,953,105</u>	<u>545,787</u>	<u>14,572</u>

Property Investment

The Group's property investment segment covers a variety of commercial properties and strives to shape three product lines, namely "Yu Yue" brand for shopping centers, "Yuzhou Plaza" brand for office buildings and shopping streets, so as to meet the needs of various consumption groups in cities. The Yuzhou property investment projects, whose business is mainly operated in economically developed areas such as the West Strait Economic Zone, Yangtze River Delta Region and the Greater Bay Area, currently cover areas of Shanghai, Shenzhen, Hangzhou, Xiamen, Suzhou, Nanjing, Hefei, Wuhan and Quanzhou. There were a total of 39 projects, consisting of 32 projects under operation and 7 projects in the preparation period. These projects covered a commercial area of over 1.53 million sq.m., where shopping center, office building and community business accounted for 60%, 20% and 20%, respectively.

Yuzhou Commercial Group (“**Yuzhou Commercial**”) has consistently pursued a distinctive and differentiated development path in the commercial sector. In 2025, Yuzhou Commercial concentrated on brand upgrading, immersive scene creation and operational refinement to fully improve service quality and consumer experience. It boosted brand vitality and user interaction through innovative marketing strategies, and kept refining its brand portfolio to align with urban development and consumer needs. Through a multi-dimensional approach, it strives to create appealing and satisfying urban living environments. In operating the “Yu Yue Series” shopping centers under Yuzhou Commercial, it has systematically advanced cultural empowerment, digital integration, precision segmentation and community co-construction. These efforts have resulted in a distinctive commercial content system and a sustainable operational ecosystem, reflecting an ongoing shift from “space operation” to “content operation + emotional connection + social value”. In 2025, centering on Minnan-culture, Yuzhou Commercial established a full-year cultural promotion system. The 3rd Intangible Cultural Heritage Season (非遺文化季), with “Yuzhou Insight • New Minnan Trend (禹見•新閩潮)” as the core Intellectual Property, was rolled out across all its projects nationwide via art displays, folk culture workshops and Bo Bing (博餅) interactive experiences during the National Day Festival. The intangible cultural heritage image of Little Yu (小禹兒) and derivative products were officially launched, adopting a friendly, youthful narrative to boost cultural communication appeal and recognition. These initiatives lifted national sales by 27% and passenger flow by 26% year-on-year, delivering robust cultural and commercial value. During the Dragon Boat Festival, the Hokkien Competition themed “Yuzhou Blessing for Dragon Boat Festival (禹舟載粽語)”, leveraging the dialect as the emotional bond, created a consistent yet locally resonant festive vibe under a nationwide unified visual design and activity structure. In addition, through cooperation with local media, newspapers and other institutions, Yuzhou Commercial facilitated the integration of intangible cultural heritage into contemporary living scenarios, further consolidating its brand role in cultural inheritance and innovation.

In 2025, Yuzhou Commercial fully promoted the upgrade of “U-square” service system, shifting its focus from basic property management to corporate services and community co-construction. It seamlessly integrated full-cycle user needs, diversified office scenarios and professional service capabilities to further strengthen the three core pillars of “security, warmth, and functionality”. With continuous iteration and improvement of the six service systems, Yuzhou Commercial has created an efficient, comfortable and high-value office and living ecosystem for tenants. Going forward, by comprehensively elevating the space experience, strengthening community engagement and commercial connectivity, Yuzhou Commercial aims to become a premium platform that empowers corporate development and fuels innovation.

Hotel Operation

In 2025, the Group's hotels adopted a diversified and innovative model of operation and management by continuously optimizing the existing operation and management system as well as upgrading the brand with a focus on the improvement of service quality, consumer experience and customer reputation, so as to create more space for the revenue growth of the Group on an ongoing basis. During the year, this segment contributed approximately RMB4.45 million to the Group's revenue. In addition, Camelon Hot Spring Hotel in Tong'an District of Xiamen, Camelon Business Hotel in Hui'an of Quanzhou, and hotels in Feidong of Hefei, Taizi Lake of Wuhan and Jinhui Area of Fengxian District, Shanghai, etc. were still under construction. Sticking to the service concept of "family-like service for you", the Group will bring high-quality service experience to its customers.

Quality, Safety and Product Line Design

Over the years, Yuzhou Group has always adhered to the concept of low-carbon environmental protection and green development, attached great importance to sustainable development, and taken the initiative to respond to the national goal of "carbon peaking and carbon neutrality" by building green boutique projects with "craftsmanship" and continuously increasing its practice of green building, striving to construct ecological communities where people and nature can coexist in harmony. "Environmental protection and energy saving, building green communities" has always been one of the development philosophies of Yuzhou Group's projects. As of 31 December 2025, 145 property projects of the Group (with a total area of over 21 million sq.m.) have achieved green building standards, of which approximately 5.55 million sq.m. have even reached two-star or above green building standards, either nationally or internationally.

In 2025, while passing on the establishments of the three residential product series, namely "Royale", "Langham" and "Honor", Yuzhou Group also made certain improvements by further standardizing the product system and clarifying top-level design concept of products, so as to fully demonstrate the products' values and orientation and satisfy the changing market demand at this stage. Yuzhou Group always adhered to the improvement of its products, striving to provide customers with refined quality houses that return to the essence of life. The "Temperature Space" series of products were built around "1 core, 3 spaces, 5 product principles, 6 product values" and were constantly innovating and iterating. In product design, the 2025 theme "Navigating with Integrity" was embedded into each product, with a focus on creating warm living environments with "sincere dedication" and "exquisite craftsmanship", while returning to the core essence of the product. For product form, we have innovated the "courtyard housing" design to blaze new trails. We have launched Yuzhou The Explorer – Luyuan (禹洲·博學家 | 麓院), a "courtyard-style" project that delivers a "compact yet spacious" solution designed to address key pain points of urban living. The design features dual scenic courtyards (Taoguang Courtyard and Fanxing Courtyard) and an integrated dining-living area, while ensuring the privacy and functional integrity of the master suite, thus catering to the needs of both family interaction and quiet personal time. Our products transcend their physical form to embody the spiritual concept of "The world lies outside, here I stand", reflecting our response to the contemporary pursuit of a lifestyle that "Turning inward, savoring the now".

Land Reserves

Adhering to its strategic deployment of leading with locality development and following the principle of “In-depth Cultivation”, the Group develops the six metropolitan areas in the Yangtze River Delta Region, West Strait Economic Zone, Bohai Rim Region, Greater Bay Area, Central China Region and Southwest Region. As of 31 December 2025, the Group had land reserves amounting to approximately 6.95 million sq.m. of aggregate saleable GFA, with 125 projects located in 36 cities in the six metropolitan areas. The average land cost was approximately RMB7,241 per sq.m.. The Group believes that its land reserves currently held and managed are sufficient for its development over the next two to three years.

Saleable GFA of Land Reserves (sq.m.)

(As at 31 December 2025)

Region	Number of projects	GFA (sq.m.)	As of Total
West Strait Economic Zone			
Xiamen	18	497,008	7.2%
Fuzhou	3	42,900	0.6%
Quanzhou	2	143,592	2.1%
Zhangzhou	2	635,519	9.1%
Sub-total	25	1,319,019	19.0%
Yangtze River Delta Region			
Shanghai	13	446,380	6.4%
Nanjing	9	202,060	2.9%
Hangzhou	2	171,588	2.5%
Shaoxing	1	95,569	1.4%
Ningbo	1	11,068	0.2%
Suzhou	12	353,242	5.1%
Changzhou	1	13,721	0.2%
Wuxi	3	54,460	0.8%
Hefei	10	345,628	5.0%
Bengbu	1	5,201	0.1%
Yangzhou	2	233,648	3.3%
Zhoushan	1	8,728	0.1%
Xuzhou	1	1,689	0.0%
Sub-total	57	1,942,982	28.0%
Bohai Rim Region			
Beijing	1	20,494	0.3%
Tianjin	9	1,029,161	14.8%
Qingdao	4	54,763	0.8%
Shijiazhuang	1	3,761	0.0%
Tangshan	1	177,672	2.6%
Shenyang	1	4,570	0.1%
Sub-total	17	1,290,421	18.6%

Region	Number of projects	GFA (sq.m.)	As of Total
Central China Region			
Wuhan	4	365,756	5.3%
Xinxiang	1	31,692	0.4%
Kaifeng	1	2,339	0.0%
Zhengzhou	3	444,253	6.4%
Sub-total	9	844,040	12.1%
Greater Bay Area			
Hong Kong	1	1,924	0.0%
Shenzhen	1	51,281	0.7%
Huizhou	2	225,468	3.3%
Foshan	3	85,456	1.2%
Zhongshan	1	15,965	0.2%
Jiangmen	1	90,877	1.3%
Sub-total	9	470,971	6.7%
Southwest Region			
Chongqing	4	311,551	4.5%
Chengdu	1	51	0.0%
Sub-total	5	311,602	4.5%
Total	122	6,179,035	88.9%
Urban Redevelopment			
Greater Bay Area			
Shenzhen	1	58,913	0.9%
Zhuhai	1	599,664	8.6%
Huizhou	1	112,317	1.6%
Total	3	770,894	11.1%
Grand total	125	6,949,929	100.0%

Revenue

The revenue of the Group was mainly derived from four business categories, including property sales revenue, rental income from investment properties, property management fee income and hotel operation income. In 2025, the total revenue of the Group was RMB6,751.31 million, down by 30.52% on a period-on-period basis. This was mainly due to a decrease in recognized property sales revenue, driven by a decrease in GFA delivered during the year. Specifically, property sales revenue was approximately RMB6,296.95 million, down by 31.75% compared to previous year, accounting for 93.27% of the total revenue; property management fee income was approximately RMB224.99 million, decreased by 15.83% on a period-on-period basis; rental income from investment properties was approximately RMB224.92 million, increased by 1.56% on a period-on-period basis; and hotel operation income was approximately RMB4.45 million.

Cost of Sales

The cost of sales mainly encompassed land cost, construction cost, capitalized interest of the Group and fair value adjustments on properties upon reclassification to subsidiaries from joint ventures and associates in prior years. In 2025, the cost of sales of the Group was RMB6,633.82 million, down by 30.47% from RMB9,540.33 million in 2024. The decrease in the cost of sales was mainly due to the decrease in GFA of properties delivered by the Group during the year.

Gross Profit and Gross Profit Margin

The gross profit of the Group was RMB117.49 million in 2025, down by 33.22% from RMB175.94 million in 2024. The gross profit margin decreased from 1.81% in 2024 to 1.74% in 2025. The decrease in the gross profit and gross profit margin was mainly due to the decrease in GFA of properties delivered by the Group and the decrease in the average selling price of the properties in 2025.

Fair Value Loss on Investment Properties

In 2025, the Group recorded a fair value loss on investment properties of RMB1,158.76 million (2024: RMB1,048.03 million). The fair value loss on investment properties was mainly due to fair value loss of the investment properties situated in Xiamen, Shenzhen and Shanghai.

Other Income and Gains

Other income and gains increased from approximately RMB64.09 million in 2024 to RMB32,939.74 million in 2025. The increase in other income and gains was mainly due to the gain recorded from offshore debt restructuring of RMB32,621.30 million in 2025.

Selling and Distribution Expenses

Selling and distribution expenses of the Group decreased by 3.87% from approximately RMB211.09 million in 2024 to approximately RMB202.92 million in 2025. With an effective cost control measure, the Group reduced the marketing and promoting expense in 2025.

Administrative Expenses

Administrative expenses of the Group decreased by 50.47% from approximately RMB848.07 million in 2024 to approximately RMB420.04 million in 2025, which was mainly due to the decrease in exchange losses in 2025.

Other Expenses

Other expenses decreased from approximately RMB364.91 million in 2024 to approximately RMB38.13 million in 2025, which was mainly due to the decrease in losses on financial guarantee in 2025.

Finance Costs

Finance costs of the Group decreased by 22.19% from approximately RMB3,964.40 million in 2024 to approximately RMB3,084.65 million in 2025, which was mainly due to the decrease in principal on borrowings during the year.

Share of Profits and Losses of Joint Ventures

The Group's share of losses of joint ventures was approximately RMB179.60 million in 2025, as compared to share of profits of joint ventures of RMB477.93 million in 2024. In 2025, the total revenue of joint ventures amounted to RMB742.17 million, and the gross profit margin of joint ventures was -1.36%.

Share of Profits and Losses of Associates

The Group's share of losses of associates was approximately RMB393.55 million in 2025, as compared to share of losses of RMB396.97 million in 2024. In 2025, the total revenue of associates amounted to RMB3,074.03 million, and the gross profit margin of associates was -22.45%.

Income Tax

Income tax credit of the Group was approximately RMB358.83 million in 2025, as compared to income tax expense of RMB114.57 million in 2024. The decrease in income tax expense was mainly due to the increase in deferred tax credit during the year.

Profit for the Year

In 2025, the profit for the year of the Group amounted to RMB21,249.88 million, as compared to the loss of RMB14,774.86 million in 2024. The said profit mainly resulted from the one-off gain from offshore debt restructuring of RMB32,621.30 million and gain on remeasurement of financial guarantee contracts of RMB2,027.10 million recorded during the year. Excluding the impact of above-mentioned one-off gain related to debt restructuring, the loss of the Group was RMB13,398.52 million in 2025, down by 9.32% year-on-year.

Loss Attributable to Non-controlling Interests

For the year ended 31 December 2025, the loss attributable to non-controlling interests amounted to approximately RMB3,680.60 million, as compared to the loss attributable to non-controlling interests of approximately RMB2,808.02 million in 2024. The loss was mainly attributable to impairment of inventories and losses on certain non-wholly owned projects and fair value loss on non-wholly owned investment properties.

Basic Earnings per Share

For the year ended 31 December 2025, basic earnings per share was RMB24.14.

Liquidity, Financial and Capital Resources

In 2025, the Group issued new senior notes for the offshore indebtedness restructuring and recorded a weighted average interest rate of borrowings of 9.95%. Details are set out in the paragraph headed “Completion of the Offshore Indebtedness Restructuring” below.

Completion of the Offshore Indebtedness Restructuring

As disclosed in the announcements of the Company dated 12 August 2025, 21 August 2025 and 27 August 2025 (capitalized terms used in this paragraph shall have the same respective meanings as defined therein), the Company received consents from the overwhelming majority of the Eligible Holders of the STNs in relation to certain amendments of the terms of the STNs. The Proposed Amendments, which relate to, among other things, capitalisation of the Accrued Interest, the Company’s right to elect to pay certain portion of interest as PIK Interest, removal of certain mandatory redemption dates and reduction of the Minimum Principal Amount, have the effect of aligning the Company’s repayment schedule under the STNs with the anticipated timing of future cash flows to enhance the financial stability of the Group following occurrence of the Restructuring Effective Date. The Proposed Amendments took effect immediately following the issuance of the STNs on the Restructuring Effective Date. Please refer to the announcement of the Company dated 12 August 2025 for details of the Proposed Amendments.

As disclosed in the announcement of the Company dated 29 August 2025 (the “**RED Announcement**”) (capitalized terms used in this paragraph shall have the same respective meanings as defined therein), the Restructuring Effective Date occurred on 29 August 2025 and all Liabilities in respect of the Existing Debt Finance Documents (excluding the Scheme Excluded Liabilities) were discharged in exchange for the issuance of the Scheme Consideration Entitlements to the relevant Scheme Creditors, which consist of (a) STN Entitlements, (b) Cash Consideration Entitlements, (c) MTN Entitlements, (d) New Equity Entitlements, and (e) LTN Entitlements. Upon occurrence of the Restructuring Effective Date, the Group achieved a significant deleveraging as it compromised approximately USD6.68 billion in indebtedness, which will enable the Company to achieve a sustainable capital structure to cope with its business operations in the long-term and de-risk the Group’s ongoing operations. Since the tenor of the MTN and LTN ranges from four to ten years, none of the MTN and LTN are classified as current liabilities in the financial statements of the Group upon their issuance. The debt reduction as a result of the Proposed Restructuring significantly improves the overall financial position of the Group and alleviates the immediate liquidity pressure on the Group. Please refer to the circular of the Company dated 13 December 2024 and the RED Announcement for details of the Proposed Restructuring. The one-off, non-cash and non-core operating gain from offshore debt restructuring arising from the Proposed Restructuring was RMB32,621.30 million.

Cash Position

As at 31 December 2025, the Group had cash and cash equivalents and restricted cash of approximately RMB1,035.87 million and RMB1,420.94 million, respectively. These figures represented a decrease of 7.44% and 23.53% from approximately RMB1,119.14 million and RMB1,858.07 million as at 31 December 2024, respectively.

Borrowings

The Group adopts prudent financial policy for proactively conducting debt management and optimizing debt structure to ensure balance in financial risks and cut-down of finance costs.

As at 31 December 2025, the Group had total interest-bearing bank and other borrowings, corporate bonds and senior notes balance of RMB33,126.38 million, of which certain loans were secured by certain investment properties, properties held for sale and properties under development of the Group, representing a decrease of 37.05% as compared to RMB52,620.22 million as at 31 December 2024. Such decrease was due to offshore debt restructuring, repayment of bank and other borrowings for the year. The weighted average interest rate of borrowings was 9.95%, increased by 1.88 percentage points from 8.07% for the year ended 31 December 2024. As at 31 December 2025, asset-liability ratio after excluding advance receipts (total liability after excluding contract liabilities divided by total asset after excluding contract liabilities) was 84.61%, which was down by 30.49 percentage points as compared to that as at 31 December 2024.

Net Gearing Ratio

As of 31 December 2025, the Group's net gearing ratio (calculated as the interest-bearing bank and other borrowings, corporate bonds and senior notes less cash and cash equivalents and restricted cash and then divided by total equity) was 304.96%.

As at 31 December 2025, the Group provided guarantees to banks amounting to RMB9,058.98 million (31 December 2024: RMB11,450.96 million) in respect of mortgage facilities granted to certain purchasers of the Group's properties. The amounts of guarantee to banks and other lenders by the Group in respect of facilities granted to joint ventures and associates were RMB52.92 million (31 December 2024: RMB52.92 million) and RMB954.50 million (31 December 2024: RMB888.94 million), respectively. The amounts of guarantee to banks and other lenders by the Group in respect of facilities granted to certain contractors for construction cost were RMB6.24 million (31 December 2024: RMB6.76 million).

Currency Risk

As of 31 December 2025, the Group had total bank and other borrowings, corporate bonds and senior notes of approximately RMB33,126.38 million, of which approximately 24.87% was denominated in RMB and 75.13% was denominated in Hong Kong dollars and United States dollars.

As at 31 December 2025, the proportions of bank and other borrowings, corporate bonds, senior notes and cash balance of the Group in terms of the currencies were as follows:

	Bank and other borrowings, corporate bonds, and senior notes balance (RMB '000)	Cash balance* (RMB '000)
HK\$	416,065	13,010
RMB	8,237,142	2,436,522
US\$	24,473,168	7,271
Total	<u>33,126,375</u>	<u>2,456,803</u>

* Including restricted cash

The Group will closely monitor the exchange rate risk regularly and make foreign exchange hedging arrangement when necessary. The Group considers that no foreign exchange hedging arrangement is needed currently.

Information Technology System

With the rapid development of information technology, informatization has become the foundation and premise of modern management. The Group actively promoted and enhanced its level of informatization, built a management + IT management and control system, improved the independent planning and design capability of IT, and adhered to empowering enterprises with technology to comprehensively enhance operational efficiency and quality. During the year, by optimizing the data calculation methods of the Mingyuan system and completing the iterative upgrade of network equipment in its computer rooms, the Company further consolidated its IT infrastructure, achieving overall improvements in system and network performance as well as significant enhancements in data processing and business execution efficiency. System stability under high-load and emergency conditions was strengthened, effectively ensuring business continuity. Meanwhile, through system optimization and data governance initiatives, the Group has cultivated its “data assets” and “digital capabilities”, establishing a data-driven decision-making framework that deeply integrates data value into core areas such as business operations, risk management and customer service. This has enabled the Group to build sustainable competitive advantages in efficiency, security, innovation and customer relations, injecting core momentum into its digital transformation and long-term development.

Human Resources

Yuzhou Group always adheres to the sage spirit of “King Yu tamed the flood, making desert an oasis (大禹治水，荒漠成洲)”, embedding the core values of responsibility, practicability, synergy and win-win results throughout every aspect of corporate culture promotion. In 2025, the Human Resources Department carried out various corporate culture initiatives under the theme of “Navigating with Integrity”.

In 2025, guided by its annual theme of “Navigating with Integrity”, Yuzhou Group continued to focus on improving organizational efficiency and stimulating team vitality, deeply integrating the value of “integrity” into the entire talent lifecycle of “selection, employment, development and retention”. We advocate for selecting individuals with high integrity and strong work ethic, nurturing those who displayed courage and practicality, and recognizing those who achieved outstanding results and pursued excellence, aiming to constantly inspire all employees to unite with determination, overcome challenges, and jointly steer the Group through industry cycles. To accurately map the Group’s talent capabilities and strongly support the dual-track strategy of “business expansion and city deepening”, the Group’s human resources system launched a talent review initiative centered on “Openness and Mutual Learning–2025 Talent Evaluation Panoramic Program”. Through multi-dimensional and systematic evaluation, this review comprehensively assessed the current capabilities of teams at the headquarters and all city-level subsidiaries. The initiative aimed to accurately identify high-potential and core talents to secure future leaders; deeply diagnose capability gaps at both organizational and individual levels to define precise development targets; and build a dynamic and sustainable talent pipeline to ensure the succession of key positions, thereby providing solid and precise talent assurance for the steady advancement of the Group’s strategy. Yuzhou Group always cherishes every employee, caring for their physical and mental health as well as their long-term development. We continuously carry out a series of “moderate and excellent” employee care activities to inspire the team with warmth and enhance cohesion. Festive gifts and blessings are presented to employees during traditional festivals. On Women’s Day, we prepare heart-warming gifts and organize special activities for female employees; at critical junctures of business sprints, we go to the front lines of project engineering and marketing sites to provide supplies and express our appreciation to colleagues working hard, motivating the team to move forward together and achieve excellence.

Following the core values of “responsibility, practicability, synergy and win-win results”, the Group will actively reserve talents in line with long-term strategic footprint and build a team of talents who are courageous, pragmatic, efficient, honest and self-disciplined amidst intense market competition, so as to provide powerful talent support for the long-term development of the Group.

As of 31 December 2025, the Group had 975 staff in total (2024: 1,012).

EMPLOYMENT AND REMUNERATION POLICIES

The emolument of the employees of the Group is mainly determined based on the prevailing market level of remuneration and the individual performance and work experience of the employees. Bonuses are also distributed by the Group based on the performance of the employees.

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 11 February 2026, on 11 February 2026, the Company and Xiamen Zongheng Group (as defined in the aforesaid announcement) mutually agreed and entered into a termination agreement, pursuant to which the Integrated Services Master Agreement (as defined in the aforesaid announcement), which was originally entered into on 31 December 2025, shall terminate with immediate effect. Following the termination, Xiamen Zongheng Group shall cease to provide the Group with the Integrated Services (as defined in the aforesaid announcement).

Save as disclosed, there are no significant events after the reporting period and up to the date of this announcement.

PAYMENT OF DIVIDEND

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not enter into any material acquisitions and disposals during the year.

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 31 December 2025, the Group had provided financial assistance, by way of advances and guarantees for facilities granted to its affiliated companies (which includes associated companies and joint ventures of the Group), the details of which are set out below:

Name of affiliated companies (the “Affiliated Companies”)	The Group’s attributable interest in the Affiliated Companies	Advances to the Affiliated Companies as at 31 December 2025 RMB’000	Guarantees for facilities granted to the Affiliated Companies RMB’000	Total RMB’000
Suzhou Xin Yuxi Construction Development Co., Ltd.*	49%	585,425	270,850	856,275
Shanghai Haoyi Real Estate Development Co., Ltd.*	10%	411,230	–	411,230
Nanjing Kunhao Wujin Trading Company Limited*	80%	328,395	–	328,395
Wuxi Xinghongyi Real Estate Co., Ltd.*	50%	305,522	–	305,522
Tianjin Yuzhou Runcheng Property Co., Ltd.*	49%	255,367	–	255,367
Xingyang Yaheng Real Estate Co., Ltd.*	34%	208,305	–	208,305
Qingdao Shenggang Investment Co., Ltd.*	17%	58,187	–	58,187
Shanghai Fumao Real-Estate Co., Ltd.*	49%	47,000	–	47,000
Tianjin Yuzhou Xinghan Real Estate Development Co., Ltd.*	26%	46,617	–	46,617
Tianjin Lianyu Property Co., Ltd.*	48%	27,396	–	27,396
Tianjin Yuzhou Yucheng Real Estate Development Co., Ltd.*	13%	26,075	–	26,075
Nanjing Jiayang Real Estate Development Co., Ltd.*	20%	14,068	–	14,068
Chongqing Tongrong Industrial Co., Ltd.*	49%	11,278	52,920	64,198
Xiamen Vanke Maluan Bay Real Estate Co., Ltd.*	20%	8,725	–	8,725
Taicang Yuzhou Yilong Real Estate Development Co., Ltd.*	23%	5,198	–	5,198
Hefei Haoyi Real Estate Development Co., Ltd.*	50%	4,020	–	4,020
Tianjin Xuanyi Real Estate Development Co., Ltd.*	60%	3,658	–	3,658
Xiamen Zeyi Trading Company Limited*	51%	2,458	–	2,458
Taicang Kangyida Real Estate Development Co., Ltd.*	49%	–	217,150	217,150
Tianjin Harmonious Home Construction Development Co., Ltd.*	27%	–	466,500	466,500
Total		2,348,924	1,007,420	3,356,344

* For identification purpose only

Notes:

1. Advances are unsecured, interest-free and have no fixed repayment terms and will be repaid as and when appropriate.
2. All of committed facilities will be made from the internal resources and/or banking facilities of the Group.
3. Save as disclosed above, no other disclosure obligations arise under Rules 13.13 to 13.16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The total amount of financial assistance provided to the Affiliated Companies, in aggregate, amount to approximately 5.0% as at 31 December 2025 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of the Affiliated Companies with financial assistance from the Group and the Group’s attributable interests in those Affiliated Companies as at 31 December 2025 are presented as follows:

	Combined statement of financial position RMB’000	Group’s attributable interests RMB’000
Non-current assets	6,712,050	2,733,360
Current assets	46,097,446	13,686,990
Current liabilities	(31,702,819)	(9,845,512)
Total assets less current liabilities	21,106,677	6,574,838
Non-current liabilities	(2,346,310)	(742,775)
Net assets	18,760,367	5,832,063

The combined statement of financial position of the Affiliated Companies was prepared by combining their statements of financial position as at 31 December 2025, after making adjustments to conform with the Group’s significant accounting policies and re-grouping into significant classification in the statement of financial position.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the publication date of this announcement, the Company has maintained sufficient public float as required under the Listing Rules.

RIGHTS ISSUE AND ALLOTMENT OF NEW SHARES

As disclosed in the prospectus and announcement of the Company dated 23 June 2025 and 15 July 2025 respectively (capitalized terms used in this paragraph shall have the same respective meanings as defined therein), the Company conducted the Rights Issue on the basis of 49 Rights Shares for every 100 Shares held on a non-underwritten basis and dealings in the fully-paid Rights Shares on the Stock Exchange commenced on 17 July 2025. The Company allotted and issued an aggregate of 2,690,960,456 Rights Shares under the Rights Issue, representing approximately 83.92% of the maximum number of Rights Shares offered under the Rights Issue. The Rights Shares, which had been allotted and issued, rank *pari passu* in all respects with the Shares then in issue. The Company raised net proceeds of approximately HK\$92.2 million from the Rights Issue, which have been/will be applied towards the payment of RSA Fees, payment of fees to the creditors and/or the Ad Hoc Group’s advisors, general working capital needs and other expenses of the Group, details of which are set out in the announcement of the Company dated 15 July 2025. In connection with the Rights Issue, the Company made certain Adjustments to the exercise price and number of Shares to be issued upon the exercise of the outstanding Share Options, details of which are set out in the announcement of the Company dated 15 July 2025.

As disclosed in the announcement of the Company dated 29 August 2025 (the “**RED Announcement**”) (capitalized terms used in this paragraph shall have the same respective meanings as defined therein), the Restructuring Effective Date occurred on 29 August 2025 and a total of 5,645,000,000 new Shares (i.e. the New Equity) were issued to the Scheme Creditors on the Restructuring Effective Date (i.e. 29 August 2025) as part of the Scheme Consideration Entitlements, representing approximately 37.9% of the total issued Shares immediately following the allotment of the New Equity, details of which are set out in the announcement of the Company dated 29 August 2025.

NO MATERIAL CHANGE

Since the publication of the latest interim report for the six-month period ended 30 June 2025 (the “**Interim Report**”), there have been no material changes to the Company’s business.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company will be held on 28 May 2026 and the notice of annual general meeting will be published and despatched to the shareholders in due course. Shareholders of the Company whose names appear on the Company’s register of members on 28 May 2026 shall be entitled to attend and vote at the annual general meeting. In order to determine the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 22 May to 28 May 2026, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on 21 May 2026.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at the end of the reporting period, no treasury shares were held by the Company.

MODEL CODE FOR DIRECTORS' SHARE DEALING

The Company has adopted a Code of Conduct on Directors' Securities Transactions (the "**Securities Code**") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listing Issuers contained in Appendix C3 to the Listing Rules. The directors have confirmed that they have complied with the requirements set out in the Securities Code throughout the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Group emphasise a quality Board, sound internal controls, and transparency and accountability to all the shareholders of the Company.

During the year, the Group had adopted, applied and complied with the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules except the following deviation:

Code Provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Ms. Kwok Ying Lan (郭英蘭) has been assuming the roles of both the Chairman and the Chief Executive Officer of the Group since 24 June 2022. Although these two roles are performed by the same individual, certain responsibilities are shared with the executive directors to balance the power and authority. In addition, all major decisions are made in consultation with members of the Board as well as senior management. The Board has three independent non-executive directors who offer different independent perspectives. Therefore, the Board is of the view that there are adequate balances of power and safeguards in place. The Board would review and monitor the situation on a regular basis to ensure that the present structure would not impair the balance of power in the Group.

SHARE OPTION SCHEME

The Company did not grant any share options for the year ended 31 December 2025.

SHARE AWARD SCHEME

Term of the Share Award Scheme

The Company operates a share award scheme (the “**Share Award Scheme**”), unless otherwise cancelled or amended, the Share Award Scheme will remain valid and effective for 10 years from the date of adoption on 29 September 2020. As at the date of this announcement, the remaining term of the Share Award Scheme is approximately 4 years and 5 months.

Participants of the Share Award Scheme

Subject to the rules of the Share Award Scheme, the Board of the Company may, from time to time, at its absolute discretion select any employee (other than any excluded employee) for participation in the Share Award Scheme as a selected employee, and grant such number of awarded shares to any selected employee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

Total Number and Percentage of Shares Available for Issue under the Share Award Scheme

As at 1 January 2025 and 30 June 2025, the total number of shares available for award under the Share Award Scheme was 10,324,504, representing approximately 0.16% of the issued shares of the Company. As at the date of this announcement, the total number of shares available for award under the Share Award Scheme was 1,032,450, representing approximately 0.07% of the issued shares of the Company. None of the shares purchased has been awarded under the Share Award Scheme. As no shares purchased has been awarded, there is no weighted average closing price of the shares immediately before the date on which the awards were vested.

Maximum Entitlement

The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

Vesting of Awarded Shares

Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all relevant vesting conditions, the respective awarded shares held by the trustee on behalf of the selected employee pursuant to the provision of the rules of the Share Award Scheme shall vest in such selected employee in accordance with the relevant vesting schedule (if any), and the trustee shall, at the instruction of the selected employee, either cause the vesting shares to be transferred to such selected employee on the vesting date, or cause the vesting shares to be sold with the proceeds of sale (after the deduction of related sale expenses) to be transferred to the selected employee.

In respect of a selected employee who died or retired by agreement with a member of the Group at any time prior to or on the vesting date, all the awarded shares of the relevant selected employee shall be deemed to be vested on the day immediately prior to his/her death or the day immediately prior to his/her retirement with the relevant member of the Group.

Voting Rights

The trustee of the Share Award Scheme shall not exercise the voting rights in respect of any shares held by it under the trust (including but not limited to the awarded shares, the vesting shares, any bonus shares and scrip shares derived therefrom).

The total number of shares that may be issued in respect of options and awards granted under all the share option schemes and share award schemes of the Company and the percentage of the issued shares that it represents as at the date of this announcement are 11,428,698 and 0.77% (1 January 2025: 114,392,504 and 1.75%), respectively.

REVIEW OF ACCOUNTS

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive directors, namely Mr. Lam Kwong Siu, Mr. Wee Henny Soon Chiang and Mr. Yu Shangyou.

The Audit Committee has reviewed the accounting policies adopted by the Group and the consolidated financial statements of the Group for the year ended 31 December 2025. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of 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 Company’s auditor, Prism Hong Kong Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor 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 HKICPA and consequently no assurance has been expressed by the Company’s auditor on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (<http://yuzhou-group.com/>) and the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The 2025 annual report of the Company will be despatched to the shareholders of the Company in the manner as they elect to receive corporate communication and available on the above websites in due course.

DEVELOPMENT STRATEGIES AND PROSPECTS

Looking ahead to 2026, the real estate market is expected to remain in a critical phase of bottoming out and structural transformation. The market recovery will no longer be characterized by broad-based upturn but rather by deep structural divergence. The “15th Five-Year Plan” released by the government explicitly states that the core focus of China’s real estate policy framework has fully shifted from past “scale-driven expansion” to “high-quality development”. Policy priorities are anticipated to move away from short-term stimulus measures toward building medium- to long-term institutional frameworks. Key initiatives include establishing a new “population-housing-land-funding” coordination mechanism, fully embracing the era of “quality homes”, optimizing the dual-track supply system of “market-rate and government-subsidized housing (市場+保障)”, actively revitalizing existing housing stock, advancing urban renewal and deepening foundational institutional reforms. For market participants, developers’ competitiveness will hinge on product quality, operational capabilities and financial resilience. Their ability to comprehensively adapt to the new era marked by low growth, low leverage and high quality, will be pivotal. Critical questions include whether their product designs meet the “quality housing” standards and whether they can capture structural opportunities amid an increasingly segmented market. These factors will define their long-term viability and growth trajectory. Meanwhile, homebuyers’ purchasing logic has already shifted from “investment appreciation” toward “livability and asset safety”. This fundamental change will exert a lasting and profound impact on the market.

Going forward, Yuzhou Group will remain committed to advancing its “value first, efficiency paramount” strategy by reinforcing the foundation for high-quality development through organizational optimization and business model innovation. In asset and financial management, the Group will strengthen cash flow and cost controls, focusing resources on high-quality projects in core regions to revitalize existing assets and enhance new investments. In operational management, it will anchor its efforts on “guaranteeing housing delivery and improving efficiency”, implementing a sales-driven production model and driving dual improvements in product iteration and operational quality. In organizational synergy, the Group will consolidate its operations into two major city companies in the south and north, respectively, to break down barriers and build a unified, highly efficient synergistic system. In innovation and capability building, the Group will encourage all employees to proactively learn and integrate digital tools and modern methodologies into marketing and management practices, thereby sharpening its core competitiveness. Amid market challenges, all employees of Yuzhou Group will stay true to the original strategic aspiration, embodying a culture of loyalty, pragmatism, collaboration and innovation. Together, they will drive internal transformation, ensure alignment between internal actions and external expectations, and jointly chart a new chapter of high-quality development.

By Order of the Board
Yuzhou Group Holdings Company Limited
Kwok Ying Lan
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the executive directors of the Company are Ms. Kwok Ying Lan (Chairman) and Mr. Lin Conghui, the non-executive directors of the Company are Mr. Lam Lung On (J.P.) and Mr. Lam Wai Hon, and the independent non-executive directors of the Company are Mr. Lam Kwong Siu, Mr. Wee Henny Soon Chiang and Mr. Yu Shangyou.