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## CHINA TIANBAO GROUP DEVELOPMENT COMPANY LIMITED

### 中國天保集團發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1427)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

### FINANCIAL HIGHLIGHTS

	<i>Notes</i>	Year ended December 31	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue			
– Construction contracting business		<b>1,526,631</b>	1,867,859
– Property development and other business		<b>169,262</b>	168,054
– Healthcare business		<b>1,085</b>	–
Gross profit		<b>47,658</b>	54,734
Underlying loss	1	<b>(122,040)</b>	(161,544)
Reported loss	2	<b>(123,879)</b>	(165,554)
		<b><i>RMB</i></b>	<b><i>RMB</i></b>
Loss per share		<b>(0.14 cents)</b>	(0.20 cents)

*Notes:* 1. Underlying loss is calculated as reported loss excluding (i) fair value loss on investment properties; (ii) realised loss of financial assets at fair value through profit or loss; and (iii) fair value gain on financial assets at fair value through profit or loss, and is not prepared under the IFRS Accounting Standards.

2. Reported loss is prepared under the IFRS Accounting Standards.

### FINAL DIVIDEND

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

## RESULTS HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Tianbao Group Development Company Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**” or “**Year**”) prepared under the IFRS Accounting Standards, together with comparative figures for the year ended December 31, 2024, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended December 31, 2025*

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>REVENUE</b>	4	<b>1,696,978</b>	2,035,913
Cost of sales		<u>(1,649,320)</u>	<u>(1,981,179)</u>
Gross profit		<b>47,658</b>	54,734
Other income and gains	4	<b>20,837</b>	10,936
Selling and distribution expenses		<b>(4,804)</b>	(264)
Administrative expenses		<b>(87,404)</b>	(57,627)
Impairment losses on financial and contract assets, net		<b>(28,949)</b>	(72,011)
Fair value loss on investment properties		<b>(600)</b>	(1,100)
Fair value gain on financial assets through profit or loss		<b>417</b>	1,554
Other expenses		<b>(2,249)</b>	(3,069)
Finance costs		<u>(60,577)</u>	<u>(73,162)</u>
<b>LOSS BEFORE TAX</b>	5	<b>(115,671)</b>	(140,009)
Income tax expense	6	<u>(8,208)</u>	<u>(25,545)</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(123,879)</b></u>	<u>(165,554)</u>
Attributable to:			
Owners of the Company		<u><b>(123,879)</b></u>	<u>(165,554)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	8		
Basic and diluted			
– For loss for the year		<u><b>RMB(0.14 cents)</b></u>	<u>RMB (0.20 cents)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>LOSS FOR THE YEAR</b>	<b>(123,879)</b>	<b>(165,554)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(106)</u>	<u>(1,386)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(106)</u>	<u>(1,386)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>9,284</u>	<u>7,467</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b><u>9,178</u></b>	<b><u>6,081</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b><u>(114,701)</u></b>	<b><u>(159,473)</u></b>
Attributable to:		
Owners of the Company	<b><u>(114,701)</u></b>	<b><u>(159,473)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,461,460</b>	1,328,433
Investment properties		<b>238,000</b>	238,600
Right-of-use assets		<b>8,944</b>	9,659
Other intangible assets		<b>168</b>	259
Equity investments designated at fair value through other comprehensive income		<b>151,800</b>	143,400
Financial assets at fair value through profit or loss		<b>6,351</b>	12,619
Deferred tax assets		<b>89,594</b>	82,925
		<hr/>	<hr/>
Total non-current assets		<b>1,956,317</b>	1,815,895
<b>CURRENT ASSETS</b>			
Inventories		<b>333</b>	53
Trade receivables	9	<b>431,164</b>	432,924
Contract assets		<b>1,693,682</b>	1,444,267
Properties under development		<b>279,324</b>	979,063
Completed properties held for sale		<b>600,656</b>	825,426
Prepayments, other receivables and other assets		<b>329,294</b>	305,088
Tax recoverable		<b>21</b>	22,736
Pledged deposits		<b>163,469</b>	206,180
Cash and cash equivalents		<b>230,066</b>	213,719
		<hr/>	<hr/>
Total current assets		<b>3,728,009</b>	4,429,456

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***As at December 31, 2025*

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	1,604,416	1,923,212
Other payables and accruals		1,441,105	1,685,490
Interest-bearing bank and other borrowings		517,402	786,621
Lease liabilities		194	576
Tax payable		368,338	358,010
		<u>3,931,455</u>	<u>4,753,909</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(203,446)</u>	<u>(324,453)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>1,752,871</u>	<u>1,491,442</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		923,360	575,200
Deferred tax liabilities		63,915	61,744
		<u>987,275</u>	<u>636,944</u>
Total non-current liabilities		<u>987,275</u>	<u>636,944</u>
Net assets		<u>765,596</u>	<u>854,498</u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital		7,913	7,281
Reserves		757,683	847,217
		<u>765,596</u>	<u>854,498</u>
Total equity		<u>765,596</u>	<u>854,498</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 1. CORPORATE AND GROUP INFORMATION

China Tianbao Group Development Company Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Windward 3, Regatta Office Park, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

During the year, the Group was involved in the following principal activities:

- Construction contracting;
- Property development and others; and
- Healthcare

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Jixiang International Industrial Company Limited, which is incorporated in the British Virgin Islands (“**BVI**”).

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### *Going concern basis*

As at 31 December 2025, the Group's net current liabilities amounted to RMB203,446,000 and its current portion of interest-bearing bank and other borrowings amounted to RMB517,402,000, among which, approximately USD39,870,000 (equivalent to approximately RMB279,362,000) was overdue ("**Default Loan**"), while its cash and cash equivalents amounted to RMB230,066,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In view of the above circumstances, the directors of the Company have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to operate as a going concern. The following plans and measures have been formulated to effectively manage the Group's working capital and enhance its financial position:

- (a) The Group remains committed to generating positive operating cash flows for next twelve months by implementing various strategies to improve the Group's income from construction contracting services, property development and healthcare services and putting extra efforts on the collection of outstanding trade receivables and contract assets;
- (b) The Group engages proactively with financial institutions and shareholders to secure adequate financing facilities. Regarding the Default Loan, the Group continue the negotiations with the lender in March 2026 and have resulted in an agreement with the new repayment schedule and to extend its maturity date on an installment basis from 2028, subject to the timely fulfillment of certain conditions, which management of the Company expects to satisfy shortly;
- (c) The Group will negotiate with the property constructors, subcontractors and suppliers for the extension for repayment for those costs including those trade and other payables;
- (d) The Group will be committed to monitoring capital expenditure to balance and relieve cash resource to support operations and take action to tighten cost controls over various operating expenses;
- (e) The Group will be committed to identifying suitable investors and engaging in discussions with certain potential investors regarding possible investments in specific property development projects of the Group, with the aim of raising additional capital.

The directors of the Group have reviewed the Group’s cash flow forecast covering a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether the Group can achieve the plans and measures described in (b) to (e) above. Whether the Group will be able to continue as a going concern would depend upon the ability to generate cash inflow from the Group’s operations, and secure various sources of financing as and when required.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

## 2.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised IFRS Accounting Standards for the first time for the current year’s financial statements.

Amendments to IAS21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

## 2.3 Issued but not yet effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>2</sup></i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>2</sup></i>
Amendments to IFRS 19	<i>Amendments to Subsidiaries without Public Accountability Disclosures<sup>2</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>1</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to IAS 21	<i>Translation to Hyperinflationary Presentation Currency<sup>2</sup></i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

Except for the new amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. And the chief operating decision maker of the Group (the Executive Directors of the Company who are also directors of all operating subsidiaries) (the "CODM") reviews the revenue and results analysis of the Group on a regular basis.

- (a) Construction contracting – this segment engages in the provision of services relating to construction as a general contractor for building construction projects, infrastructure construction projects and property investment;
- (b) Property development and others – this segment engages in the sale of properties and the provision of services relating to properties; and
- (c) Healthcare – this segment engages in the development of Tianbao Jingbei Health City into a continuing care retirement community.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of loss before tax.

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.

<b>Year ended 31 December 2025</b>	<b>Construction contracting RMB'000</b>	<b>Property development and others RMB'000</b>	<b>Healthcare RMB'000</b>	<b>Total RMB'000</b>
<b>Segment revenue</b>				
Sales to external customers	1,526,631	169,262	1,085	1,696,978
Intersegment sales	8,659	–	–	8,659
	<u>1,535,290</u>	<u>169,262</u>	<u>1,085</u>	<u>1,705,637</u>
<i>Reconciliation:</i>				
Eliminations of intersegment sales				<u>(8,659)</u>
Revenue				<u><u>1,696,978</u></u>
<b>Segment results</b>	(27,040)	(93,742)	(4,087)	(124,869)
<i>Reconciliation:</i>				
Eliminations of intersegment results				<u>9,198</u>
Loss before tax				<u><u>(115,671)</u></u>
<b>Segment assets</b>	5,461,638	8,605,210	1,294,289	15,361,137
<i>Reconciliation:</i>				
Eliminations of intersegment receivables				<u>(9,676,811)</u>
Total assets				<u><u>5,684,326</u></u>
<b>Segment liabilities</b>	4,358,825	6,066,647	620,122	11,045,594
<i>Reconciliation:</i>				
Eliminations of intersegment payables				<u>(6,126,864)</u>
Total liabilities				<u><u>4,918,730</u></u>
<b>Other segment information:</b>				
Depreciation and amortisation	1,498	5,439	3,582	10,519
Impairment losses on financial and contract assets, net	28,469	241	239	28,949
Capital expenditure*	392	98	141,935	142,425
	<u><u>392</u></u>	<u><u>98</u></u>	<u><u>141,935</u></u>	<u><u>142,425</u></u>

Year ended 31 December 2024	Construction contracting RMB'000	Property development and others RMB'000	Healthcare RMB'000	Total RMB'000
<b>Segment revenue</b>				
Sales to external customers	1,867,859	168,054	–	2,035,913
Intersegment sales	133,283	–	–	133,283
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total segment revenue	2,001,142	168,054	–	2,169,196
<i>Reconciliation:</i>				
Eliminations of intersegment sales				<u>(133,283)</u>
Revenue				<u><u>2,035,913</u></u>
<b>Segment results</b>	(31,937)	(110,293)	(1,616)	(143,846)
<i>Reconciliation:</i>				
Eliminations of intersegment results				<u>3,837</u>
Loss before tax				<u><u>(140,009)</u></u>
<b>Segment assets</b>	5,849,155	9,672,359	1,147,940	16,669,454
<i>Reconciliation:</i>				
Eliminations of intersegment receivables				<u>(10,424,103)</u>
Total assets				<u><u>6,245,351</u></u>
<b>Segment liabilities</b>	4,695,197	7,071,434	469,736	12,236,367
<i>Reconciliation:</i>				
Eliminations of intersegment payables				<u>(6,845,514)</u>
Total liabilities				<u><u>5,390,853</u></u>
<b>Other segment information:</b>				
Depreciation and amortisation	1,621	4,860	118	6,599
Impairment losses on financial and contract assets, net	69,429	2,582	–	72,011
Capital expenditure*	498	53	99,062	99,613
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

\* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

## Geographical information

### (a) Revenue from external customers

The Group has derived substantially all of its revenue in the People's Republic of China ("PRC"), and hence, geographical information is not considered necessary.

### (b) Non-current assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Hong Kong	832	358
Mainland China	<u>1,707,740</u>	<u>1,576,593</u>
Total non-current assets	<u><u>1,708,572</u></u>	<u><u>1,576,951</u></u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

## Information about major customers

Revenue of approximately RMB106,235,000 (2024: RMB114,046,000) was derived from sales by the construction contracting segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

## 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	<b>1,694,180</b>	2,023,145
<i>Revenue from other sources</i>		
Gross rental income from operating leases:		
Other lease payments, including fixed payments	<u>2,798</u>	<u>12,768</u>
Total	<u><u>1,696,978</u></u>	<u><u>2,035,913</u></u>

## Revenue from contracts with customers

### (a) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Construction contracting RMB'000	Property development RMB'000	Healthcare RMB'000	Total RMB'000
<b>Types of goods or services</b>				
Construction contracting	1,526,631	–	–	1,526,631
Property development	–	166,464	–	166,464
Healthcare	–	–	1,085	1,085
Total	<u>1,526,631</u>	<u>166,464</u>	<u>1,085</u>	<u>1,694,180</u>
<b>Geographical market</b>				
Mainland China	<u>1,526,631</u>	<u>166,464</u>	<u>1,085</u>	<u>1,694,180</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	–	166,464	–	166,464
Services transferred over time	1,526,631	–	1,085	1,527,716
Total	<u>1,526,631</u>	<u>166,464</u>	<u>1,085</u>	<u>1,694,180</u>

For the year ended 31 December 2024

Segments	Construction contracting RMB'000	Property development RMB'000	Total RMB'000
<b>Types of goods or services</b>			
Construction contracting	1,867,859	–	1,867,859
Property development	–	155,286	155,286
Total	<u>1,867,859</u>	<u>155,286</u>	<u>2,023,145</u>
<b>Geographical market</b>			
Mainland China	<u>1,867,859</u>	<u>155,286</u>	<u>2,023,145</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	–	155,286	155,286
Services transferred over time	1,867,859	–	1,867,859
Total	<u>1,867,859</u>	<u>155,286</u>	<u>2,023,145</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

**For the year ended 31 December 2025**

Segments	Construction contracting <i>RMB'000</i>	Property development <i>RMB'000</i>	Healthcare <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>				
External customers	1,526,631	166,464	1,085	1,694,180
Intersegment sales	<u>8,659</u>	–	–	<u>8,659</u>
Subtotal	1,535,290	166,464	1,085	1,702,839
Intersegment eliminations	<u>(8,659)</u>	–	–	<u>(8,659)</u>
Total	<u><u>1,526,631</u></u>	<u><u>166,464</u></u>	<u><u>1,085</u></u>	<u><u>1,694,180</u></u>

For the year ended 31 December 2024

Segments	Construction contracting <i>RMB'000</i>	Property development <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>			
External customers	1,867,859	155,286	2,023,145
Intersegment sales	<u>133,284</u>	–	<u>133,284</u>
Subtotal	2,001,143	155,286	2,156,429
Intersegment eliminations	<u>(133,284)</u>	–	<u>(133,284)</u>
Total	<u><u>1,867,859</u></u>	<u><u>155,286</u></u>	<u><u>2,023,145</u></u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction contracting	282,756	261,239
Property development	<u>119,299</u>	<u>60,371</u>
Total	<u><u>402,055</u></u>	<u><u>321,610</u></u>

(b) **Performance obligations**

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

*Construction contracting*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

*Property development*

The performance obligation is satisfied when the customer obtains the physical possession or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

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

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	1,668,799	1,682,341
After one year	6,819,972	4,705,061
Total	<u>8,488,771</u>	<u>6,387,402</u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, of which the performance obligations are to be satisfied within four years, while those related to property development are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2025 RMB'000	2024 RMB'000
<b>Other income</b>		
Interest income	1,850	2,322
Dividend income from equity investments designated at fair value through other comprehensive income	4,138	8,612
Government grants ( <i>note</i> )	9,397	329
Gain on disposal of property, plant and equipment	60	–
Gain on disposal of subsidiaries	3,273	–
Total other income	<u>18,718</u>	<u>11,263</u>
<b>Gain/(loss)</b>		
Realised loss of financial assets at fair value through profit or loss	(1,656)	(4,464)
Others	3,775	4,137
Total gain/(loss)	<u>2,119</u>	<u>(327)</u>
Total other income and gains, net	<u>20,837</u>	<u>10,936</u>

*Note:* During the year ended 31 December 2025, the Group recognised government grants of approximately RMB9,397,000 (2024: RMB329,000) with no unfulfilled conditions.

## 5. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of construction contracting	1,427,731	1,760,671
Cost of property development and others	170,524	220,508
Cost of healthcare	3,365	–
Depreciation of property, plant and equipment	9,382	5,379
Depreciation of right-of-use assets	1,046	982
Amortisation of other intangible assets	91	238
Minimum lease payments under operating leases	199	551
Auditor's remuneration	732	1,500
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
– Wages, salaries and allowances	27,000	13,530
– Social insurance	5,721	5,668
– Welfare and other expenses	877	528
<b>Total</b>	<b>33,598</b>	<b>19,726</b>
Impairment of trade receivables, net	19,790	52,255
Impairment of contract assets, net	2,856	14,351
Impairment losses on financial assets included in prepayments, other receivables and other assets, net	6,303	5,405
<b>Total</b>	<b>28,949</b>	<b>72,011</b>
Impairment losses of completed properties held for sale (included in cost of sale)	(37,577)	(38,656)
Changes in fair value of investment properties	600	1,100
Dividend income from equity investments designated at fair value through other comprehensive income	(4,138)	(8,612)
Interest income	(1,850)	(2,322)
Gain on disposal of subsidiaries	(3,273)	–
(Gain)/loss on disposal of property, plant and equipment, and prepaid land lease payments	(60)	1,146

## 6. INCOME TAX

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

Subsidiaries of the Group operating in Mainland China were subject to the PRC corporate income tax rate of 25% in accordance with the PRC Corporate Income Tax during the year.

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

Certain subsidiaries with properties sold were subject to LAT which is calculated based on 5% of property revenue in accordance with the authorised taxation method approved by the respective local tax bureaus.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax	10,139	11,571
PRC LAT	2,567	(8,224)
Deferred income tax	(4,498)	22,198
Total tax charge for the year	<u>8,208</u>	<u>25,545</u>

## 7. DIVIDENDS

The Company does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: nil).

## 8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 875,309,000 (2024: 809,456,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

The calculation of basic and diluted loss per share is based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Loss</b>		
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	<u>(123,879)</u>	<u>(165,554)</u>
	<b>Number of shares</b>	
	2025 '000	2024 '000
<b>Shares</b>		
Weighted average number of ordinary shares in issue outstanding during the year used in the basic loss per share calculation	<u>875,309</u>	<u>809,456</u>

For the year ended 31 December 2025, the weighted average number of ordinary shares for the purpose of calculation of basic loss per share has been adjusted for the effect of issuance of new shares in 2025.

## 9. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	745,229	727,198
Impairment	<u>(314,065)</u>	<u>(294,274)</u>
Net carrying amount	<u>431,164</u>	<u>432,924</u>

Trade receivables mainly represented receivables from construction contracting. The payment terms of contract work receivables are stipulated in the relevant contracts. The Group's trading terms with its customers are mainly on credit. The credit period offered by the Group is three to six months, except for retention receivable as detailed below. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

At the end of the reporting period, the due settlements of the Group's retention receivables are as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Retentions included in trade receivables	<b>41,592</b>	60,546
Provision for impairment	<b>(23,963)</b>	(30,982)
	<hr/>	<hr/>
Retentions included in trade receivables, net	<b><u>17,629</u></b>	<u>29,564</u>

An ageing analysis of the Group's trade receivables excluding retentions at the end of the reporting period, based on the invoice date, is as follows:

Trade receivables without retention receivables

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>199,821</b>	265,382
1 year to 2 years	<b>194,326</b>	118,310
2 years to 3 years	<b>65,530</b>	46,674
3 years to 4 years	<b>34,856</b>	102,620
Over 4 years	<b>209,104</b>	133,666
	<hr/>	<hr/>
Total	<b><u>703,637</u></b>	<u>666,652</u>

Retention receivables included in trade receivables represented the Group's unconditional right to receive upon completion of the warranty period of 1 to 5 years.

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>195,501</b>	276,022
1 year to 2 years	<b>176,427</b>	99,009
2 years to 3 years	<b>46,939</b>	31,012
Over 3 years	<b>12,297</b>	26,881
	<hr/>	<hr/>
Total	<b><u>431,164</u></b>	<u>432,924</u>

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
At beginning of year	<b>294,274</b>	242,019
Impairment losses, net	<b>19,791</b>	52,255
	<hr/>	<hr/>
At end of year	<b><u>314,065</u></b>	<u>294,274</u>

## 10. TRADE PAYABLES

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 6 months	<b>593,301</b>	656,863
6 months to 1 year	<b>113,538</b>	331,292
1 to 2 years	<b>376,207</b>	229,669
2 to 3 years	<b>132,147</b>	193,899
Over 3 years	<b>389,223</b>	511,489
	<hr/>	<hr/>
Total	<b>1,604,416</b>	1,923,212
	<hr/> <hr/>	<hr/> <hr/>

Trade payables are non-interest-bearing and are normally settled based on the progress of construction.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a conglomerate integrating construction, property development, and healthcare operations based in Zhuozhou, Hebei Province, the PRC. The Group's business scope covers construction, planning and design, property development, property sales, investment and operation, healthcare services, and other multi-industry sectors.

The Group principally engages in the following businesses:

- Construction contracting business. As a construction company, the Group provides construction contracting services mainly as a general contractor for building construction projects, infrastructure construction projects, and industrial and commercial construction projects;
- Property development business. As a property developer, the Group focuses primarily on the development and sales of residential properties, and leasing and operation of investment properties; and
- Healthcare business. As a healthcare service operator, the Group owns Tianbao Jingbei Health City for the purpose of developing a comprehensive Continuing Care Retirement Community to provide high-end medical and elderly care services for people in the Beijing-Tianjin-Hebei region.

## FINANCIAL RESULTS

For the year ended December 31, 2025, the Group's revenue was approximately RMB1,697 million, representing a decrease of 16.7% comparing to RMB2,036 million in 2024.

The underlying loss of the Group was approximately RMB122 million (2024: RMB162 million).

The reported loss of the Group amounted to approximately RMB124 million (2024: RMB166 million), mainly attributable to (i) the weak property market in China, resulting in a decrease in property revenue, gross profit and delivered area; (ii) the stringent selection of projects with guaranteed recoverable funds in construction contracting business to ensure cash flow returns; (iii) the impairment losses on properties under development and completed properties held for sale in the property business, accounts receivable, contract assets, and other receivables; (iv) significant financial expenses arising from borrowings from financial institutions; and (v) fair value loss on investment properties.

Reconciliation of underlying loss and reported loss are as follows:

	<b>For the year ended December 31</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Reported loss	(123,879)	(165,554)
Fair value loss on investment properties	<b>600</b>	1,100
Realised loss of financial assets at fair value through profit or loss	<b>1,656</b>	4,464
Fair value gain on financial assets at fair value through profit or loss	<b>(417)</b>	(1,554)
	<u>                    </u>	<u>                    </u>
Underlying loss	<b><u>(122,040)</u></b>	<b><u>(161,544)</u></b>

## **BUSINESS REVIEW**

The Group's revenue for the year ended December 31, 2025 decreased by 16.7% to approximately RMB1,697 million (2024: RMB2,036 million).

The decrease in revenue from the construction contracting business was due to the Group's stringent selection of projects with guaranteed recoverable funds to ensure cash flow returns, resulting in a decline in business volume. The decrease in revenue of the property development business was mainly due to the decrease in amount of sales recognised after the completion of the property sales as weak property market in China. Jingbei Health City under the healthcare business has commenced its business since its official operation on May 28, 2025.

The Group's underlying loss was approximately RMB122 million (2024: RMB162 million), which was primarily attributable to the fact that (i) the decrease in the sales volume of the construction contracting business led to a decrease in revenue and profit; (ii) the sales of property projects in 2025 were less than the sales in 2024; (iii) the impairment of financial and contract assets and fair value loss on investment properties in 2025 have significantly increased compared to 2024; and (iv) the healthcare business incurred certain fixed operating costs in its first year of operation.

As at December 31, 2025, the net assets of the Group were approximately RMB766 million (2024: RMB855 million), bank deposits, including pledged deposits of approximately RMB393 million (2024: RMB420 million) and total bank and other loans of approximately RMB1,440 million (2024: RMB1,362 million). As at December 31, 2025, the net debt (being total borrowings minus bank deposits) of the Group was approximately RMB1,047 million (2024: RMB942 million).

The following table sets forth the breakdown of the Group's revenue by business segment for the years indicated:

Segment	For the year ended December 31			
	2025		2024	
	Revenue RMB'000	Percentage of total revenue (%)	Revenue RMB'000	Percentage of total revenue (%)
Construction contracting business	1,526,631	90.0	1,867,859	91.7
Property development and other business	169,262	9.9	168,054	8.3
Healthcare business	1,085	0.1	–	–
Total	<u>1,696,978</u>	<u>100.0</u>	<u>2,035,913</u>	<u>100.0</u>

Below is a review of each business segment of the Group.

#### (i) Construction Contracting Business

The Group has been engaged in the construction contracting business since 1998, as a general contractor for building, industrial, commercial and infrastructure construction projects. The Group generates the majority of its revenue from this business. For the year ended December 31, 2025, the Group mainly generated the majority of its construction contracting revenue from construction projects located in Beijing-Tianjin-Hebei region, mainly in Hebei Province and in Beijing. The Group's construction projects in other geographical locations were mainly located in Chongqing city, Anhui Province, Shandong Province and Sichuan Province. For the year ended December 31, 2025, the Group entered into new contracts with the aggregate value of approximately RMB1,806.9 million. As at December 31, 2025, the Group's aggregate backlog of construction projects was approximately RMB8,488.8 million.

The following table sets forth the breakdown of revenue from the Group's construction contracting business by geographical locations for the years indicated:

Region	For the year ended December 31			
	2025		2024	
	Revenue RMB'000	Percentage of total revenue (%)	Revenue RMB'000	Percentage of total revenue (%)
Beijing-Tianjin-Hebei	1,129,678	74.0	1,289,804	69.1
Other	396,953	26.0	578,055	30.9
	<u>1,526,631</u>	<u>100.0</u>	<u>1,867,859</u>	<u>100.0</u>

During the Reporting Period, the Group undertook most of such construction projects as a general contractor. As a general contractor, the Group performs all major aspects of the construction project, including building construction, foundation works, curtain wall construction, building decoration and fireproofing projects. The Group is also responsible for engaging subcontractors to provide construction services and the labor force for the construction projects, coordinating the work of all parties, providing the major equipment and machinery, procuring raw materials and ensuring the timely completion of construction projects. The Group believes undertaking construction projects as a general contractor reflects its overall capabilities and is significant to the Group's continued success. Having obtained the Premium Class Certificate in 2017, the Group is, and expects to continue to be able to, undertake larger-scale building construction projects with increased complexity and higher returns nationwide, as well as charge a premium rate for the Group's services.

In addition to construction contracting as a general contractor, the Group also undertakes specialised construction projects directly subcontracted by other general contractors or project owners, such as renovation and decoration, steel structure construction and curtain wall construction projects.

### ***Project Types***

The following table sets forth the breakdown of revenue generated from the Group's construction contracting business by project type for the years indicated:

<b>Project type</b>	<b>For the year ended December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Revenue</b> <b>RMB'000</b>	<b>Percentage of</b> <b>total revenue</b> <b>(%)</b>	<b>Revenue</b> <b>RMB'000</b>	<b>Percentage of</b> <b>total revenue</b> <b>(%)</b>
Building construction	<b>239,632</b>	<b>15.7</b>	599,015	32.1
Industrial, commercial and infrastructure construction	<b>1,286,999</b>	<b>84.3</b>	1,268,844	67.9
<b>Total</b>	<b>1,526,631</b>	<b>100.0</b>	1,867,859	100.0

The Group provides construction contracting services for municipal and public infrastructure projects. The Group's infrastructure construction projects primarily consist of urban roads, bridges, facilities for water supply and treatment, urban pipelines, city squares and street lighting. The Group's infrastructure construction customers are primarily local government entities.

The Group is also undertaking industrial and commercial construction contracting projects. These projects mainly include steel structures, horticulture, buildings, industrial buildings, new pseudo-classic buildings and preservation of antiquities and historical buildings. The Group's industrial and commercial construction customers are enterprises in diverse industries.

The Group also provides construction work of buildings and corresponding building services for building construction projects. Building construction customers are primarily property developers and local government entities.

The following is a brief introduction to the Group's large-scale construction contracting projects this Year:

***Permanent Office and Living Quarters Project of Jianghuawan Water Source Pumped Storage Power Station, Hunan Province***

The project is located in Jianghua Yao Autonomous County, Yongzhou City, Hunan Province, with a total GFA of approximately 13,000 sq.m. and a contract value of approximately RMB70 million. Main buildings include comprehensive office buildings, canteens, sports buildings, reception and property apartments, agent apartments, staff dormitories, gatehouses, etc.

***Construction Project of New Area Senior High School, Jingxing County***

The project is located in the Southern New Area of Jingxing County, Shijiazhuang City, with a total GFA of approximately 37,000 sq.m. and a contract value of approximately RMB151 million. Main buildings include comprehensive teaching buildings, dormitories, canteens, gymnasiums/lecture halls, and other supporting ancillary facilities.

***Renovation and Construction Project of Rainwater and Sewage Pipelines along Yingshicheng Road and Jingbai Road, Matou Town***

The project is located in Zhuozhou, Baoding City, Hebei Province, with a contract value of approximately RMB159 million. Main works include the laying of 27,418 meters of rainwater and sewage pipe networks and the construction of other supporting facilities.

### ***Taiwei Aerospace Technology Full-Motion Simulator Production Base Project***

The project is located at the intersection of Heping West Road and Fenglan Street, Luquan District, Shijiazhuang City, Hebei Province, with a total GFA of 26,720 sq.m. and a contract value of approximately RMB87 million. Main works include inspection buildings, production workshops, exhibition buildings, warehouses, etc.

### ***Construction Project for the Protection and Utilization of Representative Ancient Buildings in Yu County (Design-Build) – Section 2***

The project is located in Yuzhou Town, Yu County, Zhangjiakou City, Hebei Province, with a contract value of approximately RMB96 million. Main works include the upgrading of ancient architectural styles and other environmental improvement works.

### ***Construction Project of Commercial and Residential Buildings 4# and 5# for Shantytown Renovation in Yuanshu Village Area, Xining City***

The project is located in Yuanshu Village, Xining City, Qinghai Province, with a total GFA of 49,819 sq.m. and a contract value of RMB151 million. Main works include basements, Hotel 4#, Commercial and Residential Building 5#, as well as supporting outdoor facilities such as water supply, heating, power supply, road pavement and landscaping.

### ***Backlog and New Contract Value***

#### ***Backlog value***

Backlog refers to an estimate of the contract value of work that remains to be completed as of a certain date. The contract value represents the amount that the Group expects to receive under the terms of the contract, assuming the contract is performed in accordance with its terms.

The following table sets forth the contract value of outstanding projects in the backlog by geographical locations as of the end of the Reporting Period:

<b>Region</b>	<b>As of December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>
Beijing-Tianjin-Hebei	<b>3,108.7</b>	<b>36.6</b>	3,136.1	37.3
Other	<b>5,380.1</b>	<b>63.4</b>	5,266.2	62.7
	<b>8,488.8</b>	<b>100.0</b>	8,402.3	100.0

The following table sets forth the contract value of outstanding projects in the backlog by project types as of the end of the Reporting Period:

<b>Project type</b>	<b>As of December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>
Building construction	<b>2,271.2</b>	<b>28.8</b>	2,366.0	28.2
Industrial, commercial and infrastructure construction	<b>6,217.6</b>	<b>71.2</b>	6,036.3	71.8
	<b>8,488.8</b>	<b>100.0</b>	8,402.3	100.0

### *New Contract Value*

New contract value represents the aggregate value of contracts entered into by the Group during the Reporting Period. The contract value is the amount that the Group expects to receive under the terms of the contract if the contract is performed by the Group in accordance with its terms.

The following table sets forth the aggregate value of new contracts entered into by the Group by geographical locations for the years indicated:

<b>Region</b>	<b>For the year ended December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>
Beijing-Tianjin-Hebei	<b>983.2</b>	<b>54.4</b>	1,406.3	60.4
Other	<b>823.7</b>	<b>45.6</b>	922.5	39.6
	<b><u>1,806.9</u></b>	<b><u>100.0</u></b>	<b><u>2,328.8</u></b>	<b><u>100.0</u></b>

The following table sets forth the aggregate value of new contracts entered into by the Group by project types for the years indicated:

<b>Project type</b>	<b>For the year ended December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>	<b>Contract value</b> <i>RMB million</i>	<b>Percentage of total contract value</b> <i>(%)</i>
Building construction	<b>138.1</b>	<b>7.6</b>	307.8	13.2
Industrial, commercial and infrastructure construction	<b>1,668.8</b>	<b>92.4</b>	2,021.0	86.8
	<b><u>1,806.9</u></b>	<b><u>100.0</u></b>	<b><u>2,328.8</u></b>	<b><u>100.0</u></b>

After obtaining the Premium Class Certificate in 2017, the Group has been involving in larger-scale building construction projects with increased complexity and higher returns nationwide. The value of the new contracts entered into by the Group amounted to RMB1,806.9 million for the year ended December 31, 2025. The Group expanded the construction contracting business to regions other than Beijing-Tianjin-Hebei region during the Year, including Chongqing city, Anhui Province, Shandong Province and Sichuan Province.

## (ii) Property development and other business

The Group's property development business consists of (i) the development and sales of residential properties; and (ii) leasing and operation of investment properties. The revenue of the Group is derived from sales of residential properties and rental income from investment properties. As of December 31, 2025, the Group had a diverse portfolio of 18 property projects consisting of 15 residential and commercial properties, 2 investment properties and 1 hotel, which are all owned and developed by the Group. Among the 15 property projects, 8 projects are located in Zhuozhou and the remaining 7 projects are located in Zhangjiakou. Among these 18 projects, 14 projects were completed, 1 project was under construction and 3 projects were held for future development. As of December 31, 2025, the Group had land reserves with a total GFA of approximately 593,380 sq.m., including (i) completed properties with a total unsold saleable GFA of approximately 163,845 sq.m. and a rentable GFA held for property investment of approximately 78,700 sq.m., accounting for approximately 40.9% of the Group's total land reserves; (ii) properties under development with a total planned GFA of approximately 7,243 sq.m., accounting for approximately 1.2% of the Group's total land reserves; and (iii) properties held for future development with a total planned GFA of approximately 343,592 sq.m., accounting for approximately 57.9% of the Group's total land reserves.

The table below sets forth a breakdown of the revenue from property development business by business line and nature of income for the years indicated:

Business line	Nature of income	For the year ended December 31			
		2025		2024	
		Revenue <i>RMB'000</i>	Percentage of total revenue (%)	Revenue <i>RMB'000</i>	Percentage of total revenue (%)
Property development and sales	Sales of residential properties	<b>166,464</b>	<b>98.3</b>	155,286	92.4
Commercial property investment and operations	Rental income	<b>2,798</b>	<b>1.7</b>	12,768	7.6
Total		<b>169,262</b>	<b>100.0</b>	168,054	100.0

The Group's land reserves are mainly located in Zhuozhou and Zhangjiakou which have higher development potential. The following is a brief introduction of the Group's projects:

## ***Projects in Zhuozhou***

### *Tianbao Green City (天保綠城)*

Located on the north side of Guanyun Road and the west side of Xuyi Village in Zhuozhou, the project covers a total site area of 33,764.1 sq.m. The project has convenient transportation facilities connecting Beijing-Shijiazhuang High-speed Railway and Beijing-Hong Kong-Macao Expressway. The GFA of the project is approximately 105,000 sq.m., including high-rise residential buildings, commercial properties and parking lots. As of December 31, 2025, 874 units have been launched and 841 units have been sold for Tianbao Green City.

### *Tianbao Xinyue Bay (天保馨悦灣) (also known as Project Ming Yang Phase I) (明陽一期)*

The project is located in Beixiguo Village, Matou Town, Zhuozhou, with convenient surrounding transportation facilities. The project can be reached through the Beijing-Hong Kong-Macao Expressway and the Beijing-Shijiazhuang High-speed Railway. The project covers a site area of approximately 17,593.3 sq.m.. 1# and 3# buildings have a GFA of approximately 48,000 sq.m., including a total of 480 high-rise residential units. As of December 31, 2025, 439 units have been sold for 1# and 3# buildings. The project has been delivered to purchasers in batches since 2020. 2# building has a GFA of 7,243.0 sq.m., including a total of 56 high-rise residential units. 2# building is currently in the construction stage and is scheduled to be delivered for use in 2027.

### *Tianbao Smart Building Technology Park (天保智慧建築科技園)*

The project is located at the intersection of Yongji East Road and Pengcheng Street in Zhuozhou. It covers a site area of 58,610.9 sq.m. and a GFA of approximately 310,000 sq.m.. The project is about 6 kilometers from Zhuozhou High-speed Railway Station, about 17 kilometers in a straight-line distance away from Beijing Daxing International Airport and about 1 kilometer from Zhuozhou City Terminal of Beijing Daxing International Airport. This project is a high-end complex integrating business office, corporate headquarters office, commerce, micro-movie bar, catering and conferences. There are approximately 4,100 units in this project, and currently its main parts are under construction stage. As of December 31, 2025, 934 units have been launched and 458 units have been sold for this project.

### *Baoxin International Building (保鑫國際大廈)*

The project is located at No. 33 Guanyun East Road, Zhuozhou Development Zone. It covers a total site area of 17,792.4 sq.m., with a total GFA of approximately 50,039.7 sq.m.. Baoxin International Building is a comprehensive commercial building integrating office and business functions. After the completion of the project, it has won many awards, including the “Luban Prize” of the construction industry in 2018 and the “Guang Xia Award” of the property development industry in 2019. Baoxin International Building has contributed stable rental income to the Group.

### *Projects in Zhangjiakou*

#### *Tianbao New City (天保新城)*

The project is located in the core area of Zhangbei County, at the intersection of Zhongdu Street and Xinghe Road in Zhangbei County. It covers a site area of approximately 230,000 sq.m., with a total GFA of approximately 600,000 sq.m.. The project is developed and constructed in three phases, mainly high-rise and middle-high-rise buildings, consisting of 46 residential buildings, community clubs, kindergartens and a large-scale commercial complex Zhongdu Ginza. As of December 31, 2025, the residential units of Tianbao New City were basically sold out, and few remaining street shops are on sale.

#### *Tianbao New City-Zhangbei Zhongdu Ginza (天保新城—張北中都銀座)*

The project is located in the northwest of the residential community of Tianbao New City, mainly consisting of two high-rise apartments, office buildings and commercial podiums, being a landmark building in Zhangbei County. The project is a comprehensive high-end commercial building integrating shopping malls, cinemas, catering, conferences, offices, hotels, leisure, business and other functions, with a total GFA of approximately 86,690.5 sq.m.. The mall portion of the project named Tianbao Plaza. Tianbao Plaza is a 5-storey diversified shopping hotspot with supermarkets, lifestyle stores, restaurants and cinemas, and officially opened in 2022. High-rise apartments started pre-sale in September 2020, with the portions sold to be delivered to purchasers since 2021. As of December 31, 2025, a total of 409 units have been delivered.

*Zhangbei County Fuxinyuan Shanty-town Improvement Project (張北縣福馨苑棚戶區改造項目)*

Fuxinyuan residential community is a project constructed in response to Zhangbei County Government's shanty-town reconstruction project, located on the north side of Zhangbei County Family Planning Bureau and east of Jingdu Street. The construction of the project started in September 2017, with a total of 1,272 units. The project has been completed in 2020 and started to be delivered to purchasers on the same year. There are 1,252 residential units and 20 commercial units available for sale. As of December 31, 2025, 1,199 residential units were sold.

*Nasutu Hotel (那蘇圖酒店) (formerly known as Haiziwa Hotel) (海子窪酒店)*

The project is a wholly self-owned project located in Zhangbei County, Zhangjiakou. As of December 31, 2025, the project has obtained all certificates. Conveniently located near Nasutu resort in Zhangjiakou, Hebei Province, Nasutu Hotel has a total site area of approximately 52,237 sq.m. and an aggregate GFA of approximately 33,967.5 sq.m. with a total of 180 guest rooms. As of December 31, 2025, the project was underway.

**Land Reserves**

The following table sets out the GFA breakdown of the Group's land reserves by geographical location as of December 31, 2025:

Region	Completed		Under development	Future development	Total land reserves	Percentage of total land reserves by geographical location (%)
	Unsold saleable GFA (sq.m.)	Rentable GFA held for property investment (sq.m.)	Planned GFA under development (sq.m.)	Planned GFA (sq.m.)	Total GFA (sq.m.)	
Zhuozhou	116,816	44,336	7,243	175,434	343,829	58
Zhangjiakou	47,030	34,364	–	168,158	249,552	42
Total	<u>163,845</u>	<u>78,700</u>	<u>7,243</u>	<u>343,592</u>	<u>593,381</u>	<u>100.0</u>

**Commercial Property Investment and Operations**

The Group owns and operates Baoxin International Building and Tianbao Plaza, which were developed by the Group for long-term investment purposes. The Group holds these properties for capital appreciation and rental income.

### **(iii) Healthcare business**

China has entered an ageing society since 2000, and the proportion of the elderly population in the total population has continued to rise, and the pace of ageing development has gradually accelerated. The rapid growth of the ageing population has created a huge demand for elderly care services. In 2021, the proportion of permanent residents aged 60 and above in Beijing exceeded 20% for the first time, officially entering a moderately ageing society. In 2022, the proportion of permanent residents aged 60 and above in Beijing reached 21.3%. In 2023, the proportion of permanent residents aged 60 and above in Beijing reached 22.6%. In 2024, the proportion of permanent residents aged 60 and above in Beijing reached 23.5%, which was 1.5 percentage points higher than the national average for three consecutive years, further deepening the ageing population. The development level of Beijing's economy and residents' income is relatively high, ranking first among provincial-level regions in China, and residents have strong purchasing power and high service requirements for elderly care services.

In recent years, the Chinese government has proposed to actively respond to the ageing population, and the healthcare industry, as an industrial integration to implement major strategies, is regarded as a new engine to promote the well-being of people and the adjustment of industrial structure, and is also regarded as a “big prescription” for the construction of a healthy China. Therefore, the elderly care industry has become one of the key support directions of national policies, and the central and local governments have intensively introduced various supporting policies for the elderly care industry.

In May 2025, the General Office of the Ministry of Industry and Information Technology and the General Office of the Ministry of Civil Affairs jointly issued the Notice on the Pilot Project of Paired Research and Scenario Application of Intelligent Elderly Care Service Robots (《關於開展智慧養老服務機器人結對攻關與場景應用試點工作的通知》). Adhering to the principles of “government guidance, demand-driven, phased implementation and continuous iterative calculation”, it focuses on improving the quality of life for the elderly, alleviating family caregiving pressure, bridging the human resource gap in institutional and community elderly care services, and promoting the improvement of the elderly care service system. A batch of pilot projects for the research and application of intelligent elderly care service robot will be implemented in phases, encouraging collaboration between research and application parties to conduct joint research, and advancing the application verification and iterative calculation for the upgrading of products in scenarios such as families, communities and elderly care institutions, so as to form a batch of robot products capable of meeting the needs of multi-level and diversified elderly care service. The standards, norms and evaluation system will be continuously established and improved to accelerate the promotion of robots empowering intelligent elderly care services and the development of the silver economy. The pilot period is 2025–2027. The pilot content includes three items: carrying out paired research, conducting scenario application verification, and improving the standard and evaluation system.

## *Tianbao Jingbei Health City*

The Group seized the opportunity of the aging population in Beijing and the elderly healthcare industry in Beijing undertaken by Hebei Province, and therefore, decided to transform Jingbei Health City into a comprehensive Continuing Care Retirement Community, contributing to the integration of Beijing-Tianjin-Hebei healthcare.

The project is located in Tumu Village, Tumu Town, Yanshan Cultural New City, Huailai County, Hebei Province, adjacent to Guanting Lake to enjoy unique and spectacular scenery and within easy reach of Beijing-Xizang Expressway, Beijing-Xinjiang Expressway, Beijing-Chongli Expressway, 110 National Highway and Beijing-Zhangjiakou High-speed Railway to enjoy the capital's half-an-hour life circle. The project will consist of four major components, namely hospitals, nursing centres, elderly care communities and elderly care science and technology industrial zones. A Continuing Care Retirement Community will be established to enable the elderly to continue living in a familiar environment and receive care services corresponding to their physical condition when their health conditions and self-care ability change by providing them with self-care, device-aide and nursing-care integrated living facilities and services. The project covers a site area of approximately 200,000 sq.m.; the hospital has a total GFA of approximately 56,000 sq.m., and the nursing centres, elderly care apartments and elderly care community have a total GFA of approximately 450,000 sq.m. The elderly care community is equipped with supporting facilities such as the university for the elderly, nutrition and diet centre, elderly entertainment activity centre, and traditional Chinese medicine healthcare centre. The project will be constructed in two phases and is expected to provide 350 beds for medical treatment and 8,800 beds for the elderly healthcare. In addition, the Company plans to construct the third phase of the project in accordance with the development progress of the project, including the health industry zone, which will comprise a training school for elderly care workers, physiotherapy and rehabilitation training base, research and development centre for intelligent elderly care, large-scale data collection base for elderly care robots, elderly care assistive devices production centre and healthcare hotel, etc. The total investment of the project is approximately RMB2.55 billion, of which approximately RMB1.28 billion has been invested as of December 31, 2025. The project will be constructed in phases, with the first phase comprising hospitals, nursing centres, elderly care apartments and part of the elderly care communities. The second phase includes the remaining part of elderly care communities.

On May 28, 2025, Tianbao Jingbei Health City project officially commenced its operations. Currently, a Class II general hospital, a nursing centre, and five elderly care apartments have been completed, providing 350 beds for medical treatment and 1,500 beds for the elderly healthcare, offering hospital visits and elderly care services for the elderly. The elderly care communities will be completed in batches in 2026 and 2027, providing a total of 7,000 beds for the elderly healthcare. Jingbei Health City is committed to becoming the largest mid-to-high-end healthcare industrial city in northwest Beijing.

## FINANCIAL REVIEW

### 1. Revenue

The revenue of the Group was primarily derived from three business segments: (i) construction contracting business; (ii) property development business; and (iii) healthcare business. Total revenue of the Group decreased by 16.9% from approximately RMB2,036 million for the year ended December 31, 2024 to approximately RMB1,697 million for the year ended December 31, 2025.

#### *1.1 Construction contracting business*

The revenue of the Group's construction contracting business was primarily derived from the construction contracting services provided by the general contractors of building construction projects, infrastructure construction projects and industrial and commercial construction projects.

The overall decrease in the revenue of the Group's construction contracting business was primarily attributable to in the Group's stringent selection of projects with guaranteed recoverable funds in construction contracting business to ensure cash flow returns, resulting in a decrease in the construction volume and revenue. The revenue from this segment decreased by 18% from approximately RMB1,868 million for the year ended December 31, 2024 to approximately RMB1,527 million for the year ended December 31, 2025.

#### *1.2 Property development business*

The revenue of the Group's property development business comprises sales of properties and rental income. Revenue from sales of properties is recognised only after the properties have been sold to purchasers and after satisfying the requirements for delivery as stipulated in the purchase agreements. Consistent with industry practice, the Group usually enters into purchase agreements with purchasers while the properties are under development and fulfils the conditions for presales in accordance with PRC laws and regulations.

The aggregate GFA delivered decreased from approximately 37,400 sq.m. for the year ended December 31, 2024 to approximately 26,304 sq.m. for the year ended December 31, 2025 and the recognised revenue decreased from approximately RMB155 million for the year ended December 31, 2024 to approximately RMB166 million for the year ended December 31, 2025. The delivery area of various real estate projects for the year generally decreased compared to 2024.

The rental income of the Group was primarily derived from the lease of commercial investment properties. The Group holds these commercial investment properties for capital appreciation and leases them to generate rental income. As of December 31, 2025, the Group held one commercial investment property, Baoxin International Building and one shopping mall, Tianbao Plaza, with a total rentable GFA of 78,700.4 sq.m.

### **1.3 Healthcare business**

The Group's healthcare business includes various types of hospital charges, service fees for nursing centres, elderly care apartments, and elderly care communities, etc.

Tianbao Jingbei Health City officially started operations on May 28, 2025.

## **2. Cost of sales**

The Group's costs of sales primarily represent the costs incurred in the construction contracting service rendered by the Group, the costs of property development and sales, and the costs for providing healthcare services. The costs for construction contracting services primarily includes labor costs, raw material costs, machinery costs, subcontracting costs and other costs. The costs for the property development business primarily includes land costs, construction costs and rent costs. The costs for the healthcare business primarily includes labor costs and consumables.

The Group's cost of sales decreased from approximately RMB1,981 million for the year ended December 31, 2024 to approximately RMB1,649 million for the year ended December 31, 2025, representing a decrease of 16.8%, which was in line with the changes in construction contracting business, property development business and healthcare business of the Group.

### 3. Gross profit and gross profit margin

The following table sets forth a breakdown of gross profit and gross profit margin by business segment for the years indicated:

Segment	For the year ended December 31					
	2025			2024		
	Gross profit RMB'000	Percentage of gross profit (%)	Gross profit margin (%)	Gross profit RMB'000	Percentage of gross profit (%)	Gross profit margin (%)
Construction contracting business	98,900	N/A	6.5	107,188	N/A	5.7
Property development business and others	(48,962)	N/A	(28.9)	(54,454)	N/A	(31.2)
Healthcare business	(2,280)	N/A	(210.1)	-	-	-
Total	<u>47,658</u>	<u>N/A</u>	<u>2.8</u>	<u>54,734</u>	<u>N/A</u>	<u>2.7</u>

The Group's gross profit decreased from approximately RMB54 million for the year ended December 31, 2024 to approximately RMB48 million for the year ended December 31, 2025, representing a decrease of 12.7%. The gross profit of the Group's construction contracting business decreased from approximately RMB107 million for the year ended December 31, 2024 to RMB99 million for the year ended December 31, 2025, with the gross profit margin remaining stable. During the Year, the gross profit margin increased from 2.7% for the year ended December 31, 2024 to 2.8% for the year ended December 31, 2025.

For the year ended December 31, 2025, the Group made an impairment provision of approximately RMB38 million for properties under development and completed properties held for sale in the property development business. Hence the business recorded gross loss.

### 4. Other income and gains

The Group's other income and gains included the dividend income received from equity investments designated at fair value through other comprehensive income of approximately RMB4 million (2024: RMB9 million) and realised loss of financial assets at fair value through profit or loss of approximately RMB2 million (2024: RMB4 million).

## **5. Selling and distribution expenses**

The Group's selling and distribution expenses primarily consist of (i) advertising, marketing and business development expenses; and (ii) staff costs in relation to salespersons.

Most of the selling and distribution expenses were capitalised to property development projects during the year.

## **6. Administrative expenses**

The Group's administrative expenses primarily consist of staff costs in relation to the Group's administrative personnel, office expenses, depreciation and amortisation, traveling and other expenses.

The Group's administrative expenses increased by 51.7% from approximately RMB57.6 million for the year ended December 31, 2024 to approximately RMB87.4 million for the year ended December 31, 2025. Staff costs (including Directors' remuneration) amounted to approximately RMB44.3 million (2024: RMB23.4 million) mainly due to higher staff costs from the additional supervision required to meet regulatory compliance in construction and property development.

## **7. Impairment losses on financial assets and contract assets, net**

The Group performs an impairment analysis as of December 31, 2025 using a provision matrix to measure expected credit losses ("ECLs"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs.

For the year ended December 31, 2025, the Group's impairment on financial assets amounted to approximately RMB28.9 million (2024: RMB72.0 million), primarily due to the Group's consideration of the impairment needs of financial and contract assets on a prudent basis.

## **8. Finance costs**

The Group's finance costs primarily represent interest expenses on bank and other loans less the capitalised cost of interest on relevant loans incurred for property development.

The Group's finance costs decreased by 17.2% from approximately RMB73.2 million for the year ended December 31, 2024 to approximately RMB60.6 million for the year ended December 31, 2025. The Group obtained bank and other borrowings with lower cost in 2025, which allowed interest expenses incurred from them to remain stable.

## **9. Income tax expenses**

The Group's income tax expenses include payments and provisions made for corporate income tax and land appreciation tax (“LAT”) by the PRC subsidiaries of the Group.

The Group's income tax expenses decreased from the provision of approximately RMB25.5 million for the year ended December 31, 2024 to the provision of approximately RMB8.2 million for the year ended December 31, 2025. Income tax expenses decreased during the year ended 31 December 2025, primarily due to the recognition of deferred taxation effects.

## **10. Underlying loss for the year**

For the year ended December 31, 2025, the Group's underlying loss amounted to approximately RMB122 million (for the year ended December 31, 2024: approximately RMB162 million).

## **LIQUIDITY, FINANCE AND CAPITAL**

The Group has historically met its liquidity requirements through cash flows from operations and bank and other borrowings. The Group's primary liquidity requirements are to finance working capital, fund capital expenditures and provide capital for the growth and expansion of operations. The Group expects these sources to remain its principal sources of liquidity.

### **Cash position**

As at December 31, 2025, the Group's total deposits, cash and cash equivalents amounted to approximately RMB394 million (2024: RMB420 million), which are denominated in RMB and Hong Kong dollars, respectively, including pledged deposits of approximately RMB163 million as at December 31, 2025 (2024: RMB206 million).

### **Future plans for material investments and acquisition of capital assets**

As at the date of this announcement, the Group did not have any major future investment plans. The Group will announce any major investment plan in a timely manner if the Group deems it appropriate.

## Significant investments held

For the year ended December 31, 2025, the Group did not hold any significant investments.

## Loan and pledge of assets

	As of December 31					
	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Secured other borrowings	12.0	Over due	244,328	12.0	Over due	250,479
Unsecured other borrowings	12.0	Over due	35,034	12.0	Over due	35,942
Current portion of secured long-term bank borrowings	2.4–6.65	2026	<u>238,040</u>	5.20–6.65	2025	<u>500,200</u>
			517,402			786,621
<b>Non-current</b>						
Secured bank borrowings	2.4–6.65	2026–2041	<u>923,360</u>	3.00–6.65	2026–2041	<u>575,200</u>
			<u>1,440,762</u>			<u>1,361,821</u>

The table below sets out the maturity of the interest-bearing bank and other borrowings of the Group as of the dates indicated:

	<b>As of December 31</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Bank and other borrowings repayable:		
Within one year or on demand	<b>517,402</b>	786,621
In the second year	<b>314,022</b>	174,800
In the third to fifth years, both inclusive	<b>203,938</b>	–
After five years	<b>405,400</b>	400,400
	<hr/>	<hr/>
Total	<b>1,440,762</b>	1,361,821
	<hr/> <hr/>	<hr/> <hr/>

The Group's interest-bearing bank and other borrowings are all denominated in RMB and US dollars.

The Group's interest-bearing bank and other borrowings are secured by various assets with aggregate carrying amounts as follows:

	<b>As of December 31</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Investment properties	<b>238,000</b>	238,600
Properties under development	<b>57,001</b>	184,986
Property, plant and equipment	<b>1,273,021</b>	1,084,072
Right-of-use assets	<b>8,672</b>	7,662
	<hr/>	<hr/>
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## Key financial ratios

The table below sets forth a summary of the Group's key financial ratios as of the dates or for the periods indicated:

		As of December 31 or for the year ended December 31	
	Notes	2025	2024
Current ratio (times)	1	<b>0.97</b>	0.93
Gearing ratio (%)	2	<b>188.2</b>	159.4
Net gearing ratio (%)	3	<b>136.8</b>	110.2
Return on equity (%)	4	<b>(15.3)</b>	(17.7)
Return on total assets (%)	5	<b>(2.1)</b>	(2.7)
Gross profit margin (%)	6	<b>2.8</b>	2.7
Net profit margin (%)	7	<b>(7.7)</b>	(8.1)

### Notes:

1. Current ratios were calculated by dividing the total current assets as of the respective dates by the total current liabilities as of the respective dates.
2. Gearing ratios were calculated by dividing total interest-bearing bank and other borrowings as of the respective dates by total equity as of the respective dates and multiplying by 100%.
3. Net gearing ratios were calculated as total interest-bearing bank and other borrowings as of the respective dates less cash and bank balances and pledged deposits as of the respective dates, divided by total equity as of the respective dates and multiplied by 100%.
4. Return on equity was calculated by dividing the reported loss for the respective periods by the average total equity as of the respective periods (sum of opening and closing balances of the total equity of the respective periods divided by two) and multiplying by 100%.
5. Return on total assets was calculated by dividing the reported loss for the respective periods by the average total assets of the respective periods (sum of opening and closing balances of the total assets of the respective periods divided by two) and multiplying by 100%.
6. Gross profit margin was calculated by dividing gross profit by revenue for the respective periods.
7. Net profit margin was calculated by dividing reported loss for the year by revenue for the respective periods.

## Commitments

### *Operating Lease Commitments*

#### *The Group as a lessor*

The Group leases its investment properties under operating lease arrangements with lease terms negotiated ranging from one to ten years. At the end of the Reporting Period, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within one year	<b>11,424</b>	10,366
In the second to fifth years, both inclusive	<b>43,044</b>	32,050
After five years	<b>21,656</b>	7,132
	<u><b>76,124</b></u>	<u>49,548</u>

### *Capital Commitments*

The Group had the following capital commitments at the end of the Reporting Period:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contracted, but no provision has been made:		
Construction contracting	<b>194,751</b>	258,616
	<u><b>194,751</b></u>	<u>258,616</u>

## **Contingent Liabilities**

### *Mortgage guarantee*

The Group has provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB926 million (2024: RMB1,713.4 million) as of December 31, 2025. The Group's guarantee period starts from the dates of the grant of relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The Directors consider that the fair value of the guarantees is not significant, and in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals, together with the accrued interest and penalties. Therefore, no provision for the guarantees has been made during the Reporting Period.

## **OTHERS**

### **1. Events after the Reporting Period**

The Board is not aware of any significant event affecting the Group and requiring disclosure that has been taken place subsequent to 31 December 2025 and up to the date of this announcement.

### **2. Foreign Currency Risk**

The Group primarily operates in the PRC. The majority of the Group's transactions were denominated and settled in RMB. Currently, the Group has not entered into any hedging activities aimed at or intended to manage its exposure to foreign exchange risk and did not use any financial instruments for hedging purposes. The Group will continue to monitor foreign exchange activities and safeguard the cash value of the Group with its best effort.

### **3. Interest Rate Risk**

The Group's interest rate risk arises from interest-bearing bank and other deposits and bank and other borrowings. Bank deposits and bank and other borrowings issued at variable rates expose the Group to cash flow interest rate risk. Bank and other borrowings bearing an interest at fixed rates expose the Group to fair value interest rate risk.

#### **4. Corporate Governance**

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and enhance corporate value, as well as the responsibility commitments. The Company has adopted the Corporate Governance Code as its own code of corporate governance.

The Company has been in compliance with all applicable code provisions under the Corporate Governance Code. To the best of the Directors' knowledge, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, except for the deviation from provision C.2.1 of the Corporate Governance Code from January 1, 2025 to March 19, 2025. The Directors will endeavor to ensure that the Company continues to comply with the Corporate Governance Code.

A review of the corporate governance of the Group is set out in the section headed "Compliance with Corporate Governance Code".

#### **5. Material Acquisitions and Disposals**

During the year ended December 31, 2025, save as disclosed in "Future plans for material investments and acquisition of capital assets" in this section, there were no material acquisition and disposal of subsidiaries and assets by the Group.

#### **6. Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code as a code for the Directors to deal in securities of the Company.

After making specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards set out in the Model Code during the year ended December 31, 2025.

The Company's employees who may possess inside information of the Company are also required to comply with the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company during the year ended December 31, 2025.

#### **7. Purchase, Sale or Redemption of the Listed Securities of the Company**

During the year ended December 31, 2025, the Company and any of its subsidiaries did not purchase, sell, or redeem any securities (including treasury shares) of the Company listed on the Stock Exchange.

## **FUTURE PROSPECT**

### **Construction Contracting Business**

Tianbao Construction Group will continue to solidify its qualification platform, steadily enhance its design capabilities, and establish a development framework of “deepening domestic operation + expanding overseas presence”. It will drive the transformation of its business model from “construction contracting” to “full value chain integration of investment, construction and operation”, deliver “Luban Award-standard projects”, and strive to become a top-tier construction enterprise in China.

### **Property Business**

Tianbao Real Estate Group will shift from “incremental expansion” to “stock optimization”. Focusing on the development of “quality housing”, it will revitalize existing assets, accelerate capital recovery, and develop high-quality livable residential products and featured commercial complexes.

### **Healthcare Business**

For the medical and healthcare business, we will integrate high-quality medical and elderly care resources in Beijing and Hebei, expedite our strategic entry into the Beijing market, and iteratively upgrade from “traditional care” to “high-quality elderly care”. Aiming to create a “benchmark for integrated medical and healthcare around Beijing”, we strive to complete the construction of unfinished projects, achieve a security capacity of accommodating 10,000 elderly residents annually and delivering tens of thousands of medical services, and become a leading brand in the smart elderly care sector.

## **FINAL DIVIDEND**

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

## **ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS**

The Company proposes to hold the Annual General Meeting at 9:00 a.m. on May 21, 2026. To ascertain the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from May 18, 2026 to May 21, 2026, both days inclusive, during which period no transfer of shares will be registered. All transfers accompanied by the relevant share certificates of the Company must be lodged with the 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, Wanchai, Hong Kong not later than 4:30 p.m. on May 15, 2026 for registration.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company listed on The Stock Exchange of Hong Kong Limited during the year ended December 31, 2025.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

Save for the deviation from code provision C.2.1 of the Corporate Governance Code (the “**Corporate Governance Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) from January 1, to March 19, 2025, the Company had adopted the principles and code provisions of the Corporate Governance Code and has complied with all code provisions in the Corporate Governance Code during the Reporting Period.

To set out clearer division of responsibilities between the chairman and the chief executive officer as required pursuant to code provision C.2.1 of the Corporate Governance Code, Mr. Li Baotian has tendered his resignation as chief executive officer of the Company, with effect from March 19, 2025. The Company has appointed Ms. Shen Lifeng, an executive Director, as the chief executive officer of the Company, fully responsible for the strategic planning, capital market business operations, and brand promotion of the Company, with effect from March 19, 2025.

Our Board believes that Ms. Shen Lifeng’s extensive professional background is highly aligned with the long-term development strategy of the Company. Guided by Ms. Shen, the Company will continue to consolidate its industry-leading position and create sustainable value for shareholders, employees, and society.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as a code for the Directors to deal in securities of the Company for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”).

After making specific enquiries to all Directors, each of the Directors has confirmed that he/she has complied with the required standards set out in the Model Code during the year ended December 31, 2025.

The Company’s employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company’s employees was noted by the Company during the year ended December 31, 2025.

## **SCOPE OF WORK OF THE AUDITOR**

The financial 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 December 31, 2025 as set out in the annual results announcement of the Group have been compared by the Group’s auditor, CCTH CPA Limited (“CCTH”), to the amounts set out in the Group’s consolidated financial statements for the Year and the amounts were found to be in agreement. The work performed by CCTH in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH.

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

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

### **“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 IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to note 2.1 to the consolidated financial statements, which indicates that as at 31 December 2025, the Group’s net current liabilities amounted to RMB203,446,000 and the current portion of interest-bearing bank and other borrowings amounted to RMB517,402,000, among which, USD39,870,000 (equivalent to RMB279,362,000) was overdue, while its cash and cash equivalents amounted to RMB230,066,000. These conditions along with other matters as set forth in note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

## AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. Li Xu, Mr. Li Qingxu and Ms. Chen Zhu. The chairman of the Audit Committee is Mr. Li Xu, who is with appropriate accounting and related financial management expertise. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee has reviewed this results announcement and the audited consolidated financial statements for the year ended December 31, 2025 prepared under the IFRSs.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKEXnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.chinatbjt.com](http://www.chinatbjt.com). The 2025 annual report of the Company with all the information as required by the Listing Rules will be despatched to the Shareholders (the “**Shareholders**”) of the Company and will be published on the websites of the Stock Exchange and the Company in due course.

## APPRECIATION

The Group would like to express its sincere gratitude to all Shareholders, customers and business partners for their continuing support, and wishes to sincerely thank all employees for their outstanding contribution to the development of the Group. The Group will continue to deliver sustainable business development, so as to create more values for all Shareholders.

By Order of the Board

**China Tianbao Group Development Company Limited**  
**Li Baotian**

*Chairman of the Board and Executive Director*

Hong Kong, March 31, 2026

*As at the date of this announcement, the executive directors of the Company are Mr. Li Baotian, Ms. Shen Lifeng, Ms. Wang Xinling, Mr. Li Yaruixin, Ms. Wang Huijie and Mr. Zang Lin; and the independent non-executive directors of the Company are Ms. Chen Zhu, Mr. Li Qingxu and Mr. Li Xu.*