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中国三迪

CHINA SANDI

CHINA SANDI HOLDINGS LIMITED

中國三迪控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 910)

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

The board (the “Board”) of directors (the “Directors”) of China Sandi Holdings Limited (the “Company”, together with its subsidiaries collectively, the “Group”) announces the consolidated final results of the Company for the year ended 31 December 2025 (the “reporting period” or “Year”) together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | <i>Notes</i> | 2025 | 2024 |
|--|--------------|-----------------------|----------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | | | |
| Goods and services | 4 | 1,163,498 | 1,976,085 |
| Rental income from investment properties | 4 | 104,354 | 102,035 |
| | | <hr/> | <hr/> |
| Total revenue | | 1,267,852 | 2,078,120 |
| Cost of sales and services rendered | | (1,021,385) | (1,941,649) |
| | | <hr/> | <hr/> |
| Gross profit | | 246,467 | 136,471 |
| Other income | 6 | 823 | 1,012 |
| Other gains or losses, net | 7 | (5,285) | 44,172 |
| Loss in fair value of investment properties | | (305,500) | (3,870,533) |
| Loss in fair value of derivative component of convertible bond | | (13,571) | (10,005) |
| Write-down of inventories of properties | | (107,267) | (586,578) |
| Gain/(loss) on disposal of subsidiaries | | 26,676 | (54,001) |
| Selling and marketing expenses | | (34,964) | (51,135) |
| Administrative expenses | | (23,533) | (46,962) |
| Finance costs | 8 | (420,304) | (403,554) |
| | | <hr/> | <hr/> |
| Loss before income tax | 9 | (636,458) | (4,841,113) |
| Income tax credit | 10 | 61,149 | 786,160 |
| | | <hr/> | <hr/> |
| Loss for the year | | (575,309) | (4,054,953) |
| | | <hr/> <hr/> | <hr/> <hr/> |

| | <i>Note</i> | 2025 RMB'000 | 2024 <i>RMB'000</i> |
|--|-------------|-------------------------------|---------------------------|
| Other comprehensive expense | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences arising on translation of foreign operations | | <u>35,646</u> | <u>(8,950)</u> |
| Total comprehensive expense for the year | | <u><u>(539,663)</u></u> | <u><u>(4,063,903)</u></u> |
| Loss for the year attributable to: | | | |
| – Owners of the Company | | <u>(542,088)</u> | <u>(4,051,720)</u> |
| – Non-controlling interests | | <u>(33,221)</u> | <u>(3,233)</u> |
| | | <u><u>(575,309)</u></u> | <u><u>(4,054,953)</u></u> |
| Total comprehensive expense for the year attributable to: | | | |
| – Owners of the Company | | <u>(506,442)</u> | <u>(4,060,670)</u> |
| – Non-controlling interests | | <u>(33,221)</u> | <u>(3,233)</u> |
| | | <u><u>(539,663)</u></u> | <u><u>(4,063,903)</u></u> |
| Loss per share | | | |
| Basic (RMB cents) | <i>12</i> | <u><u>(10.65)</u></u> | <u><u>(79.63)</u></u> |
| Diluted (RMB cents) | | <u><u>(10.65)</u></u> | <u><u>(79.63)</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | <i>Notes</i> | 2025 RMB'000 | 2024 RMB'000 |
|--|--------------|-------------------------------|-----------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 47,768 | 48,347 |
| Investment properties | | 5,700,000 | 6,005,500 |
| Deferred tax assets | | — | 12,104 |
| | | <u>5,747,768</u> | <u>6,065,951</u> |
| Current assets | | | |
| Inventories of properties | | 7,271,931 | 9,150,262 |
| Contract costs | | 42,572 | 63,840 |
| Trade and other receivables and prepayments | 13 | 1,074,837 | 895,370 |
| Deposits for land use rights for properties under development for sale | | 33,270 | 53,270 |
| Income tax recoverable | | 178,611 | 181,635 |
| Amounts due from related companies | | — | 24,678 |
| Amounts due from non-controlling shareholders of subsidiaries | | 199,765 | 232,398 |
| Restricted bank deposits | | 41,784 | 90,101 |
| Bank balances and cash | | 40,515 | 100,415 |
| | | <u>8,883,285</u> | <u>10,791,969</u> |
| Current liabilities | | | |
| Trade and other payables and accruals | 14 | 3,578,062 | 3,656,360 |
| Debt component of convertible bond | | 227,324 | 216,942 |
| Derivative component of convertible bond | | 96,912 | 86,883 |
| Promissory note | | 720,659 | 691,525 |
| Contract liabilities | | 3,465,845 | 4,776,505 |
| Income tax payable | | 557,619 | 556,679 |
| Amounts due to related companies | | — | 45,118 |
| Amount due to the ultimate controlling shareholder | | 99,626 | 99,626 |
| Bank and other borrowings due within one year | 15 | 5,553,068 | 5,833,124 |
| | | <u>14,299,115</u> | <u>15,962,762</u> |
| Net current liabilities | | <u>(5,415,830)</u> | <u>(5,170,793)</u> |
| Total assets less current liabilities | | <u><u>331,938</u></u> | <u><u>895,158</u></u> |

| | <i>Note</i> | 2025 RMB'000 | 2024 <i>RMB'000</i> |
|--|-------------|-------------------------------|------------------------|
| Capital and reserves | | | |
| Share capital | | 42,890 | 42,890 |
| Reserves | | (217,705) | 288,737 |
| | | <hr/> | <hr/> |
| Equity attributable to owners of the Company | | (174,815) | 331,627 |
| Non-controlling interests | | 206,251 | 213,842 |
| | | <hr/> | <hr/> |
| Total equity | | 31,436 | 545,469 |
| | | <hr/> | <hr/> |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 300,502 | 349,689 |
| | | <hr/> | <hr/> |
| | | 300,502 | 349,689 |
| | | <hr/> | <hr/> |
| | | 331,938 | 895,158 |
| | | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the Stock Exchange). Its parent and ultimate parent is United Century International Limited (incorporated in the British Virgin Islands (BVI)). The ultimate controlling party is Mr. Guo Jiadi (“Mr. Guo”). The address of registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Unit G, 1/F, Fook Moon Building, 56-72 Third Street, Sai Ying Pun, Hong Kong, respectively.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values at the end of the reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern basis

During the year ended 31 December 2025, the Group recorded a loss for the year of RMB575,309,000. As at 31 December 2025, the Group had net current liabilities of RMB5,415,830,000, and current liabilities of RMB14,299,115,000, including (i) bank and other borrowings due within one year amounting to RMB5,553,068,000, (ii) certain advances from third parties, which are included in other payables, amounting to RMB1,258,189,000, in aggregate, which are repayable on demand or within one year, (iii) debt component of convertible bond of RMB227,324,000, (iv) promissory note of RMB720,659,000 and (v) amount due to the ultimate controlling shareholder of RMB99,626,000. However, the Group had cash and cash equivalents and restricted bank deposits only amounted to RMB40,515,000 and RMB41,784,000, respectively.

Furthermore, as at 31 December 2025, the Group did not repay certain bank and other borrowings at an aggregate carrying value of approximately RMB3,749,648,000 and aggregate interest payables of RMB539,947,000 (“Overdue Borrowings”) in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Borrowings, the Overdue Borrowings would be immediately repayable if requested by the respective lenders. In addition, out of the Overdue Borrowings of RMB3,749,648,000, bank and other borrowings with carrying amount of RMB239,140,000 were also in breach of financial covenants.

Other than the Overdue Borrowings, as at 31 December 2025, the Group’s bank and other borrowings at an aggregate carrying value of RMB1,803,420,000 and aggregate interest payables of RMB225,662,000 (“Cross-default Borrowings”) contained a cross-default clause in the respective financing agreements, under which Cross-default Borrowings were considered defaulted if any bank and other borrowings of the Group had been defaulted. Pursuant to the terms of the Cross-default Borrowings, the Cross-default Borrowings would be immediately due if requested by the lenders.

Accordingly, at as 31 December 2025, default and cross-default bank and other borrowings of the Group amounted to a total of RMB5,553,068,000 and default and cross-default interest payables amounted to a total of RMB765,609,000.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. The following plans and measures included in (i) to (vii) below (the “Plans and Measures”) are formulated to mitigate the liquidity pressure and to improve its cash flows:

- (i) regarding the convertible bond and promissory note, the Group has amended the relevant terms such that the maturity date was changed from 30 January 2024 to 30 January 2029 whereas a right shall be granted to the holder of the convertible bond and promissory note to require the Company to redeem all of the outstanding convertible bond and promissory note on demand. However, a right of repayable on demand was given to the holder of the convertible bond and promissory note. In this regard, the holder of convertible bond and promissory note signed a letter of undertaking on 31 March 2026, in writing, to the Company that the holder of convertible bond and promissory note would not exercise the right to demand repayment from the Company for at least twelve months from the date of approval of these consolidated financial statements;
- (ii) regarding the amount due to the ultimate controlling shareholder, the ultimate controlling shareholder signed a letter of undertaking on 31 March 2026, in writing, to the Company that they would not exercise the right to demand repayment from the Company for at least one year from the date of approval of these consolidated financial statements;
- (iii) The Group has been conducting active negotiations with the lenders on the extension of the repayment schedule of certain borrowings;
- (iv) among the other payables, there are repayable on demand balances of RMB398,064,000 advances from third parties, with which, subsequent to the year end date, the management successfully liaised to set the maturities to be at least one year from the date of approval of these consolidated financial statements;
- (v) the Group will continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceeds so as to generate adequate net cash inflows;

- (vi) the Group applies cost control measures in cost of sales and administrative expenses; and
- (vii) the Group will also continue to seek for new or other alternative financing from financial institutions, such as equity financing to finance the settlement of its existing financial obligations and future operating expenditures.

The directors of the Company have reviewed the Group's cash flow forecast prepared by the management and are of the opinion that, taking into account the above mentioned financial condition, Plans and Measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from the date of approval of these consolidated financial statements. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis. However, the director of the Company consider that these financial conditions, together with the Plans and Measures, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

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

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to a HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

| | |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

The application of the amendments to a HKFRS Accounting Standard in the current year has had no material effect on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

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

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

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

³ No mandatory effective date yet determined but available for adoption.

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard may affect the structure and presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Groups' consolidated financial statements.

4. REVENUE

Disaggregation of revenue

| Segments | For the year ended 31 December 2025 | | |
|--|---|--|-------------------------|
| | Property development <i>RMB'000</i> | Property investment <i>RMB'000</i> | Total <i>RMB'000</i> |
| Types of goods or services | | | |
| Sales of properties | | | |
| – Sales of residential units | 941,481 | – | 941,481 |
| – Sales of commercial units | 91,578 | – | 91,578 |
| – Sales of office units | 89,882 | – | 89,882 |
| – Sales of car parking spaces | 35,302 | – | 35,302 |
| Property management and related fee income | – | 5,255 | 5,255 |
| Revenue from contracts with customers within the scope of HKFRS 15 | 1,158,243 | 5,255 | 1,163,498 |
| Rental income | – | 104,354 | 104,354 |
| | <u>1,158,243</u> | <u>109,609</u> | <u>1,267,852</u> |
| Geographical market | | | |
| Mainland China | <u>1,158,243</u> | <u>109,609</u> | <u>1,267,852</u> |
| Timing of revenue recognition | | | |
| At a point in time | 1,158,243 | – | 1,158,243 |
| Over time | – | 5,255 | 5,255 |
| | <u>1,158,243</u> | <u>5,255</u> | <u>1,163,498</u> |

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

| Segments | For the year ended 31 December 2025 | | |
|---|---|--|-------------------------|
| | Property development <i>RMB'000</i> | Property investment <i>RMB'000</i> | Total <i>RMB'000</i> |
| Revenue disclosed in segment information | | | |
| External customer | 1,158,243 | 109,609 | 1,267,852 |
| Less: rental income | – | (104,354) | (104,354) |
| Revenue from contracts with customers | <u>1,158,243</u> | <u>5,255</u> | <u>1,163,498</u> |

| Segments | For the year ended 31 December 2024 | | |
|---|---|--|-------------------------|
| | Property development <i>RMB'000</i> | Property investment <i>RMB'000</i> | Total <i>RMB'000</i> |
| Types of goods or services | | | |
| Sales of properties | | | |
| – Sales of residential units | 1,771,373 | – | 1,771,373 |
| – Sales of commercial units | 58,856 | – | 58,856 |
| – Sales of office units | 113,605 | – | 113,605 |
| – Sales of car parking spaces | 25,176 | – | 25,176 |
| Property management and related fee income | – | 7,075 | 7,075 |
| Revenue from contracts with customers within the scope of HKFRS 15 | 1,969,010 | 7,075 | 1,976,085 |
| Rental income | – | 102,035 | 102,035 |
| | <u>1,969,010</u> | <u>109,110</u> | <u>2,078,120</u> |
| Geographical market | | | |
| Mainland China | <u>1,969,010</u> | <u>109,110</u> | <u>2,078,120</u> |
| Timing of revenue recognition | | | |
| At a point in time | 1,969,010 | – | 1,969,010 |
| Over time | – | 7,075 | 7,075 |
| | <u>1,969,010</u> | <u>7,075</u> | <u>1,976,085</u> |

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

| Segments | For the year ended 31 December 2024 | | |
|---|---|--|-------------------------|
| | Property development <i>RMB'000</i> | Property investment <i>RMB'000</i> | Total <i>RMB'000</i> |
| Revenue disclosed in segment information | | | |
| External customer | 1,969,010 | 109,110 | 2,078,120 |
| Less: rental income | – | (102,035) | (102,035) |
| Revenue from contracts with customers | <u>1,969,010</u> | <u>7,075</u> | <u>1,976,085</u> |

For sales of properties, the Group normally receives 30%-100% of the contract value from customers when they sign the sale and purchase agreements, while construction work in respect of the properties being purchased under the sale and purchase agreements are still ongoing. For those customers who use mortgage loans provided by the banks, the remaining amounts of the total contract values will be paid to the Group from the banks once the customers meet the requirements of the banks. These advance payments of 30%-100% of the contract value from customers resulted in contract liabilities being recognised throughout the property construction period until sales of the properties are recognised as revenue. The Group receives full payment from the customers before physical delivery of the completed property.

The Group has provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by customers of the Group's properties. Pursuant to the terms of the guarantees, if a customer defaults on the payment of its mortgage during the term of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the customer's sales deposit and sell the property to recover any amounts paid by the Group to the bank. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the customer obtained the individual property ownership certificate. The related financial guarantee contracts issued to banks in favour of customers in respect of the mortgage loans are not recognised separately as the fair value of the guarantees is immaterial at the dates of grant of the relevant mortgage loans and at the end of the reporting periods.

For property management and related services to the tenants of the Group's investment properties and occupants of properties managed by the Group, the Group agrees the fixed rate for services with the customers upfront. As the tenants or occupants simultaneously receive and consume the benefits provided by the Group's performance, the revenue is recognised over time on a straight line basis when the performance obligations are satisfied. Monthly payment of the transaction is invoiced to the customers in advance each month. The performance obligation in the contracts with customers are provision of property management services, security services and janitorial services.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 and the expected timing of recognising revenue are as follows:

| | Sales of properties | |
|--|----------------------------|------------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| – Within one year | 1,243,761 | 2,284,780 |
| – More than one year but not more than two years | 2,222,084 | 2,152,831 |
| – More than two years but not more than five years | – | 338,894 |
| | <u>3,465,845</u> | <u>4,776,505</u> |

Relating to property management and related services, all of the Group's unsatisfied performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Operating leases

| | Rental income | |
|--|----------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Lease payments that are fixed | 104,354 | 101,935 |
| Variable lease payments that do not depend on an index or a rate | – | 100 |
| | <u>104,354</u> | <u>102,035</u> |

5. SEGMENT INFORMATION

Information regularly reported to the chief executive officer of the Company (the chief operating decision maker (“CODM”)) for the purposes of resource allocation and assessment of segment performance focuses on the type of goods and services delivered or provided. The Group’s reportable and operating segments under HKFRS 8 Operating Segments are as follows:

Property development – development and sale of properties

Property investment – lease of investment properties and provision of property management service

Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

For the year ended 31 December 2025

| Segments | Property development <i>RMB’000</i> | Property investment <i>RMB’000</i> | Total <i>RMB’000</i> |
|--|---|--|-------------------------|
| Segment revenue | | | |
| External revenue | <u>1,158,243</u> | <u>109,609</u> | <u>1,267,852</u> |
| Segment loss | <u>(281,758)</u> | <u>(292,046)</u> | (573,804) |
| Unallocated other gains or losses, net | | | 1,067 |
| Loss in fair value of derivative component of convertible bond | | | (13,571) |
| Gain on disposal of subsidiaries | | | 26,676 |
| Unallocated corporate expenses | | | (1,198) |
| Unallocated finance costs | | | <u>(75,628)</u> |
| Loss before income tax | | | <u>(636,458)</u> |

For the year ended 31 December 2024

| Segments | Property development <i>RMB'000</i> | Property investment <i>RMB'000</i> | Total <i>RMB'000</i> |
|---|---|--|-------------------------|
| Segment revenue | | | |
| External revenue | 1,969,010 | 109,110 | 2,078,120 |
| Segment loss | <u>(917,332)</u> | <u>(3,831,005)</u> | (4,748,337) |
| Unallocated other income | | | 53 |
| Unallocated other gains or losses, net | | | (1,783) |
| Loss on change in terms of promissory note | | | (112,989) |
| Gain on change in terms of convertible bond | | | 181,730 |
| Loss in fair value of derivative component of convertible bond | | | (10,005) |
| Loss on disposal of subsidiaries | | | (54,001) |
| Unallocated corporate expenses | | | (24,009) |
| Unallocated finance costs | | | <u>(71,772)</u> |
| Loss before income tax | | | <u>(4,841,113)</u> |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the loss incurred by each segment without allocation of part of unallocated other income, unallocated other gains and losses, change in fair value of derivative component of convertible bond, unallocated corporate expenses and unallocated finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|------------------------------|------------------------|------------------------|
| Property development | 8,714,735 | 10,604,937 |
| Property investment | <u>5,825,970</u> | <u>6,075,406</u> |
| Total segment assets | 14,540,705 | 16,680,343 |
| Unallocated assets: | | |
| Bank balances and cash | 931 | 626 |
| Restricted bank deposits | 3 | 3 |
| Unallocated corporate assets | <u>89,414</u> | <u>176,948</u> |
| Consolidated total assets | <u>14,631,053</u> | <u>16,857,920</u> |

Segment liabilities

| | 2025 RMB'000 | 2024 RMB'000 |
|--|--------------------------|--------------------------|
| Property development | 11,979,422 | 13,521,509 |
| Property investment | <u>1,507,932</u> | <u>1,526,980</u> |
| Total segment liabilities | 13,487,354 | 15,048,489 |
| Unallocated liabilities: | | |
| Debt component of convertible bond | 227,324 | 216,942 |
| Derivative component of convertible bond | 96,912 | 86,883 |
| Promissory note | 720,659 | 691,525 |
| Amount due to a related company | – | 267,686 |
| Unallocated corporate liabilities | <u>67,368</u> | <u>926</u> |
| Consolidated total liabilities | <u>14,599,617</u> | <u>16,312,451</u> |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain bank balances and cash, certain restricted bank deposits and unallocated corporate assets not attributable to respective segment.
- all liabilities are allocated to operating segments other than debt component of convertible bond, derivative component of convertible bond, promissory note, amount due to a related company and unallocated corporate liabilities not attributable to respective segment.

Other segment information

| | For the year ended 31 December 2025 | | | | |
|---|-------------------------------------|-----------------------------------|---|------------------------|------------------|
| | Property development RMB'000 | Property investment RMB'000 | Total reportable segment RMB'000 | Unallocated RMB'000 | Total RMB'000 |
| <i>Amounts included in the measure of segment profit or loss or segment assets:</i> | | | | | |
| Addition of non-current assets | 21 | – | 21 | – | 21 |
| Bank interest income | 139 | 12 | 151 | – | 151 |
| Finance costs | (302,337) | (42,338) | (344,675) | (75,629) | (420,304) |
| Depreciation of property, plant and equipment | (506) | (89) | (595) | – | (595) |
| Loss in fair value of investment properties | – | (305,500) | (305,500) | – | (305,500) |
| Write-down of inventories of properties | <u>(107,267)</u> | <u>–</u> | <u>(107,267)</u> | <u>–</u> | <u>(107,267)</u> |

For the year ended 31 December 2024

| | Property development RMB'000 | Property investment RMB'000 | Total reportable segment RMB'000 | Unallocated RMB'000 | Total RMB'000 |
|---|------------------------------------|-----------------------------------|---|------------------------|------------------|
| <i>Amounts included in the measure of segment profit or loss or segment assets:</i> | | | | | |
| Addition of non-current assets | 1,108 | 238,301 | 239,409 | – | 239,409 |
| Bank interest income | 481 | 39 | 520 | 54 | 574 |
| Finance costs | (331,782) | – | (331,782) | (71,772) | (403,554) |
| Depreciation of property, plant and equipment | (1,201) | – | (1,201) | (16) | (1,217) |
| Gain on disposal of property, plant and equipment | 27 | – | 27 | – | 27 |
| Loss in fair value of investment properties | – | (3,870,533) | (3,870,533) | – | (3,870,533) |
| Loss on disposal of investment properties | – | (1,981) | (1,981) | – | (1,981) |
| Write-down of inventories of properties | (586,578) | – | (586,578) | – | (586,578) |

Geographical information

The following tables set out information about the Group's revenue from external customers by cities in the PRC, based on the location at which the properties are sold, properties are invested and services are provided. Information about its non-current assets is analysed by geographical location of assets.

Revenue from external customers:

| | 2025 RMB'000 | 2024 RMB'000 |
|----------|------------------|------------------|
| Nanping | 62,763 | 289,252 |
| Baoji | 41,235 | 56,895 |
| Jilin | 1,057 | 5,603 |
| Shanghai | 212,222 | 128,865 |
| Yongtai | 70,294 | 19 |
| Weinan | 199 | 27,420 |
| Fuzhou | 800,597 | 578,581 |
| Hangzhou | 70,350 | 623,726 |
| Longyan | 9,135 | 367,759 |
| | 1,267,852 | 2,078,120 |

Non-current assets:

| | 2025 | 2024 |
|-----------|------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Fuzhou | 2,577,793 | 2,495,769 |
| Shanghai | 1,822,232 | 2,036,476 |
| Baoji | 917,641 | 1,058,493 |
| Hangzhou | 195,499 | 195,499 |
| Yongtai | 217,562 | 217,562 |
| Xian | 16,785 | 20,253 |
| Nanping | 49 | 69 |
| Jilin | 16 | 16 |
| Hong Kong | 57 | 29,552 |
| Others | 134 | 158 |
| | <u>5,747,768</u> | <u>6,053,847</u> |

Note: Non-current assets excluded deferred tax assets.

Information about major customers

No individual customer contributed over 10% of the total revenue of the Group during the years ended 31 December 2025 and 2024.

6. OTHER INCOME

| | 2025 | 2024 |
|-----------------------------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Bank interest income | 151 | 574 |
| Forfeited deposits from customers | 339 | – |
| Government grants (<i>note</i>) | 4 | 24 |
| Others | 329 | 414 |
| | <u>823</u> | <u>1,012</u> |

Note: Government grants of RMB4,000 were granted by the PRC local government authorities to the Group during the year ended 31 December 2025 (2024: RMB24,000). There were no unfulfilled conditions or contingencies relating to these government grants.

7. OTHER GAINS OR LOSSES, NET

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Loss on change in terms of promissory note | – | (112,989) |
| Gain on change in terms of convertible bond (<i>note 26</i>) | – | 181,729 |
| Gain on disposal of property, plant and equipment | – | 27 |
| Loss on disposal of investment properties | – | (1,981) |
| Impairment loss on trade and other receivables | (5,855) | (15,054) |
| Impairment loss on amounts due from related companies | – | (1,809) |
| Impairment loss on amounts due from non-controlling shareholders of subsidiaries | (497) | (3,968) |
| Exchange gain/(loss), net | 1,067 | (1,783) |
| | (5,285) | 44,172 |

8. FINANCE COSTS

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Interest on bank and other borrowings | 394,652 | 356,704 |
| Effective interest on convertible bond (<i>note 26</i>) | 19,019 | 19,966 |
| Effective interest on promissory note | 56,604 | 51,356 |
| Interest on amount due to a related company | – | 58,632 |
| Total borrowing costs | 470,275 | 486,658 |
| Less: amounts capitalised to inventories of properties | (49,971) | (53,603) |
| amounts capitalised to investment properties under construction | – | (29,501) |
| | 420,304 | 403,554 |

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 8.26% (2024: 8.19%) per annum to expenditure on qualifying assets.

9. LOSS BEFORE INCOME TAX

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Loss before income tax has been arrived at after charging/(crediting): | | |
| Auditors' remuneration | 800 | 800 |
| Directors' emoluments | 1,750 | 1,978 |
| Staff salaries and allowances (excluding directors' emoluments) | | |
| – Bonus | – | 1,964 |
| – Salaries | 15,093 | 29,955 |
| Retirement benefit scheme contributions | 3,093 | 4,307 |
| Termination benefit | 1,271 | – |
| | <hr/> | <hr/> |
| Total other staff costs | 19,457 | 36,226 |
| Less: amounts capitalised to inventories of properties | (2,346) | (3,806) |
| amounts capitalised to investment properties under construction | – | (1,005) |
| | <hr/> | <hr/> |
| | 17,111 | 31,415 |
| | <hr/> | <hr/> |
| Cost of inventories recognised as an expense | | |
| – Construction costs | 617,748 | 1,186,781 |
| – Land use right costs | 241,465 | 463,888 |
| – Capitalised interest | 153,671 | 325,487 |
| – Others | 8,501 | 16,333 |
| | <hr/> | <hr/> |
| | 1,021,385 | 1,992,489 |
| | <hr/> | <hr/> |
| Depreciation of property, plant and equipment | 595 | 1,217 |
| Gross rental income from investment properties | (104,354) | (102,035) |
| Less: direct operating expenses from investment properties that generated rental income during the year | 21 | 430 |
| | <hr/> | <hr/> |
| | (104,333) | (101,605) |
| | <hr/> <hr/> | <hr/> <hr/> |
| Selling and marketing expenses, mainly comprise of: | | |
| – Real estate agency fees | 16,635 | 19,143 |
| – Business taxes and surcharges | 12,359 | 32,071 |
| – Salary and welfares | 2,662 | 5,797 |
| – Promotion and advertisement expenses | 509 | 840 |
| – Electricity and utilities, property management fee | 1,522 | 3,119 |
| – Office supplies | 197 | 252 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Administrative expenses, mainly comprise of: | | |
| – Salary and welfares | 14,983 | 29,729 |
| – Legal and professional fees | 3,605 | 6,286 |
| – Electricity and utilities, property management fees | 536 | 1,361 |
| – IT and human resources management expenses | 858 | 376 |
| – Office supplies | 1,066 | 2,516 |
| – Depreciation of property, plant and equipment | 595 | 1,217 |
| – Donation | – | 111 |
| | <hr/> <hr/> | <hr/> <hr/> |

10. INCOME TAX CREDIT

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Current tax: | | |
| Enterprise Income Tax (“EIT”) in the PRC | 2,858 | 12,501 |
| Land Appreciation Tax (“LAT”) | 774 | 13,344 |
| | <u>3,632</u> | <u>25,845</u> |
| Over-provision in prior years: | | |
| LAT in the PRC | (15,632) | – |
| | <u>(15,632)</u> | <u>–</u> |
| Deferred tax credit | (49,149) | (812,005) |
| | <u>(49,149)</u> | <u>(812,005)</u> |
| | <u>(61,149)</u> | <u>(786,160)</u> |

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulation. LAT has been provided at ranges of progressive rate of the appreciation value, with certain allowable exemptions and deductions.

11. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the reporting period, nor has any dividend been proposed since the end of the reporting period (2024: nil).

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Loss for the year attributable to owners of the Company | <u>(542,088)</u> | <u>(4,051,720)</u> |

Number of shares

| | 2025 '000 | 2024 '000 |
|---|-------------------------|-------------------------|
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | 5,088,208 | 5,088,208 |
| Effect of dilutive potential ordinary shares: | | |
| Convertible bond | <u>3,333,333</u> | <u>3,164,916</u> |
| Total potential weighted average number of ordinary shares for the purpose of diluted loss per share* | <u><u>5,088,208</u></u> | <u><u>5,088,208</u></u> |

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2025 and 2024, the potential ordinary shares of the Company included outstanding share options and convertible bond. The calculation of the dilutive effects for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the years ended 31 December 2025 and 2024, the assumed exercise of potential ordinary shares in relation to the outstanding share options has anti-dilutive effect to the basic loss per share as the exercise price of the options exceeds the average market price of ordinary shares during the year.

* As the Company outstanding convertible bond had an anti-dilutive effect to the basic loss per share calculation, the exercise of the potential dilutive shares is not assumed in the calculation of diluted loss per share for both years. Accordingly, weighted average number of ordinary shares of 5,088,208 (2024: 5,088,208) was used in the calculation for both years.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

| | 2025 RMB'000 | 2024 RMB'000 |
|-------------------------------------|-----------------|-----------------|
| Trade receivables | | |
| – contracts with customers | 101,678 | 99,477 |
| – rental income (<i>note a</i>) | 49,178 | 40,440 |
| Less: allowance for credit losses | <u>(10,592)</u> | <u>(7,690)</u> |
| | 140,264 | 132,227 |
| Other receivables (<i>note b</i>) | 417,437 | 225,247 |
| Less: allowance for credit losses | <u>(12,126)</u> | <u>(7,437)</u> |
| | 405,311 | 217,810 |

| | 2025 | 2024 |
|---|-------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Prepayments (<i>note c</i>) | 402,597 | 381,684 |
| Other refundable deposits | 1,900 | 2,115 |
| Other tax prepayments (<i>note d</i>) | 124,765 | 161,534 |
| | <u>1,074,837</u> | <u>895,370</u> |

Notes:

- (a) The Group had pledged trade receivables from rental income as at 31 December 2025 to secure bank and other borrowings of the Group (note 32) (2024: same).
- (b) The balance mainly comprised advances made by the Group to various parties, including suppliers and employees.
- (c) The balance mainly represents prepaid construction cost of RMB402,597,000 (2024: RMB381,529,000) for the Group's properties under development for sale.
- (d) The balance mainly represents prepaid VAT of RMB108,761,000 (2024: RMB131,130,000).

As at 1 January 2025, trade receivables from contracts with customers amounted to RMB99,477,000.

The Group allows an average credit period of 30 days (2024: 30 days) to its trade customers from date of issuance of the invoices. Trade receivables arising from rental income is invoiced in advance monthly or quarterly in accordance with the terms of the related rental agreements.

The following is an aging analysis of the Group's trade receivables presented based on the date of the properties delivered and date of demand note for rental income, net of allowance for credit losses:

| | 2025 | 2024 |
|--------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| 0 – 30 days | 40,903 | 17,323 |
| 31 – 90 days | 2,250 | 22,517 |
| Over 90 days | 97,111 | 92,387 |
| | <u>140,264</u> | <u>132,227</u> |

The movements in the allowance for credit losses of trade receivables are as follows:

| | 2025 | 2024 |
|----------------------------|-----------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| At beginning of year | 7,690 | – |
| Impairment loss recognised | <u>2,902</u> | <u>7,690</u> |
| At end of year | <u><u>10,592</u></u> | <u><u>7,690</u></u> |

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB99,361,000 (2024: RMB114,904,000) which are past due as at the reporting date. Out of the past due balances, RMB97,111,000 (2024: RMB92,387,000) has been past due 90 days or more and is not considered as in default based on the Group's historical credit loss experience from these corresponding debtors and taking into consideration forward-looking information.

The movements in the allowance for credit losses of other receivables are as follows:

| | 2025 | 2024 |
|----------------------------|-----------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| At beginning of year | 7,437 | 73 |
| Impairment loss recognised | <u>4,689</u> | <u>7,364</u> |
| At end of year | <u><u>12,126</u></u> | <u><u>7,437</u></u> |

14. TRADE AND OTHER PAYABLES AND ACCRUALS

| | 2025 | 2024 |
|--|-------------------------|-------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Trade payables (<i>note a</i>) | 546,073 | 921,678 |
| Other payables (<i>note b</i>) | 1,258,188 | 1,350,372 |
| Interest payables (<i>note c</i>) | 765,609 | 425,489 |
| Deposits received from tenants | 12,908 | 24,692 |
| Other tax payables | 208,175 | 222,271 |
| Accrued construction costs (<i>note d</i>) | <u>787,109</u> | <u>711,858</u> |
| | <u><u>3,578,062</u></u> | <u><u>3,656,360</u></u> |

Notes:

- (a) The following is an aging analysis of trade payables presented based on the invoice date:

| | 2025 | 2024 |
|---------------|----------------|----------------|
| | RMB'000 | RMB'000 |
| 0 – 30 days | 1,702 | 104,792 |
| 31 – 90 days | 17,928 | 102,663 |
| 91 – 365 days | 91,194 | 296,364 |
| Over 1 year | 435,249 | 417,859 |
| | 546,073 | 921,678 |

Trade payables principally comprise amounts outstanding for payments to contractors and suppliers of property development projects and purchases of construction materials. The average credit period granted to the Group is from 6 months to 1 year. The management closely monitors the payments of the payable to ensure that all payables are paid within the credit time frame. Details of the financial risk management policies by the Group are set out in note 30(b).

- (b) Included in other payables are balances amounting to RMB398,064,000 (2024: RMB493,642,000) which were advanced from independent third parties for short-term borrowing purposes, and are non-trade related, interest-free and repayable on demand.
- (c) Included in interest payables are balances amounting to RMB539,947,000 (2024: RMB263,315,000) which were defaulted in accordance with the contractual repayment schedules, and RMB225,662,000 (2024: RMB80,767,000) which were defaulted due to a cross-default clause in the respective financing agreements. Accordingly, the amount included in interest payables with a total of RMB765,609,000 (2024: RMB344,082,000) was defaulted or cross-defaulted. Details of the default and cross-default interest payables are disclosed in note 23.
- (d) The accrued construction costs relate to construction of properties under development for sale and investment properties which will be transferred to trade or other payables on achieving payment milestones as stipulated in the agreements with the subcontractors.

15. BANK AND OTHER BORROWINGS

| | 2025 | 2024 |
|--------------------------|------------------|----------------|
| | RMB'000 | RMB'000 |
| Secured bank borrowings | 4,682,688 | 4,961,944 |
| Secured other borrowings | 870,380 | 871,180 |
| | 5,553,068 | 5,833,124 |

Note:

The other borrowings were raised from independent third parties, which are financial institutions, financial asset management companies and a property developer.

The carrying amounts of the above borrowings are repayable based on scheduled repayment dates set out in the loan agreements as follows:

| | Bank borrowings | | Other borrowings | | Total | |
|---|--------------------|--------------------|------------------|------------------|--------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Within one year or on demand | <u>4,682,668</u> | <u>4,961,944</u> | <u>870,380</u> | <u>871,180</u> | <u>5,553,068</u> | <u>5,833,124</u> |
| | 4,682,688 | 4,961,944 | 870,380 | 871,180 | 5,553,068 | 5,833,124 |
| Less: Amounts due within one year shown under current liabilities | <u>(4,682,688)</u> | <u>(4,961,944)</u> | <u>(870,380)</u> | <u>(871,180)</u> | <u>(5,553,068)</u> | <u>(5,833,124)</u> |
| Amounts shown under non-current liabilities | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Total revenue for the reporting period was approximately RMB1,267.9 million, representing a decrease of approximately 39.0% as compared with approximately RMB2,078.1 million for the year ended 31 December 2024.
- Gross profit for the reporting period was approximately RMB246.5 million, representing an increase of approximately 80.6% as compared with approximately RMB136.5 million for the year ended 31 December 2024.
- Loss for the reporting period was approximately RMB575.3 million, as compared to loss for the year ended 31 December 2024 of approximately RMB4,055.0 million.
- Loss attributable to owners of the Company for the reporting period was approximately RMB542.1 million as compared to loss attributable to owners of the Company for the year ended 31 December 2024 of approximately RMB4,051.7 million.
- Basic loss per share was RMB10.65 cents (2024: basic loss per share of RMB79.63 cents).
- Contracted sales amount of the Group for the reporting period amounted to approximately RMB107.2 million, representing a decrease of approximately 35.8% as compared with approximately RMB167.0 million for the year ended 31 December 2024.
- Contracted gross floor area (“GFA”) was approximately 20,625 square meters (“sq.m.”) for the reporting period, representing an increase of approximately 45.9% as compared with approximately 14,140 sq.m. for the year ended 31 December 2024.

DIVIDEND

The Board does not recommend the payment of any final dividend for the reporting period (2024: Nil).

BUSINESS REVIEW

The Group is principally engaged in property development, and holding of property for investment and rental purpose.

Property development

As at 31 December 2025, the Group had 9 property projects under development which are situated in different cities in the PRC. Key cities include Shanghai, Fuzhou, Xi'an, and Baoji. The Group primarily focuses on the development of residential properties, as well as residential and commercial complex properties, product types including apartments, offices, retail shops, villas, etc.

Contracted property sales

During the reporting period, the Group achieved contracted sales of approximately RMB107.2 million with contracted GFA of approximately 20,625 sq.m., representing a decrease of approximately 35.8% in contracted sales and an increase of approximately 45.9% in contracted GFA as compared with the year ended 31 December 2024. The increase in contracted GFA was primarily attributable to higher contracted sales volume in second-tier cities during 2025. However, as the average selling price of properties in second-tier cities is lower than that in first-tier cities, the total contracted sales amount for 2025 decreased as compared with 2024.

The table below illustrates the contracted sales (stated before the deduction of applicable taxes) achieved by the Group for the reporting period:

| Property projects | Type | Contracted sales amount <i>RMB'000</i> | Contracted sales area <i>sq.m.</i> | Average price of contracted sales <i>RMB/sq.m.</i> | Percentage of total contracted sales amount % | Group interest % |
|----------------------------|----------------------------|---|---------------------------------------|---|--|---------------------|
| Shanghai | | | | | | |
| Sandi Manhattan | Commercial | 19,870 | 1,042 | 19,069 | 18.5 | 100 |
| Shaanxi Province | | | | | | |
| Sandi Bahe Yihao | Residential | 14,350 | 969 | 14,809 | 13.4 | 70 |
| Sandi Jinyufu | Residential | 10,959 | 1,485 | 7,380 | 10.2 | 51 |
| Fujian Province | | | | | | |
| Sandi Jiangshan Waterfront | Residential | 49,602 | 15,488 | 3,203 | 46.3 | 100 |
| Others | Residential/ Commercial | 12,413 | 1,641 | 7,564 | 11.6 | |
| Total | | 107,194 | 20,625 | 5,197 | 100.0 | |
| Attributable to the Group | | 97,520 | 19,607 | | | |

Notes:

- (a) Contracted sales and the calculation of average selling price are based on the sales revenue before the deduction of business/value-added tax and other surcharges/taxes.
- (b) Contracted sales and GFA attributable to the car parking spaces are excluded in the contracted GFA and average selling price calculation.

Property under development

The table below summaries the major property development projects of the Group as at 31 December 2025:

| Property projects | Expected completion dates | Site area <i>sq.m.</i> | Completed | | GFA under development <i>sq.m.</i> | Planned GFA for future development <i>sq.m.</i> | Group's interest % |
|----------------------------------|---------------------------|---------------------------|---|--|---------------------------------------|--|-----------------------|
| | | | Saleable GFA delivered/pre-sold <i>sq.m.</i> | GFA available for sale <i>sq.m.</i> | | | |
| Shaanxi Province | | | | | | | |
| Sandi Century New City | 2027 | 169,923 | 1,109,414 | 66,506 | 62,659 | – | 100 |
| Sandi Jinyu Gaoxin | 2027 | 65,157 | 95,708 | 1,642 | 105,114 | – | 100 |
| Sandi Yunding Fengdan | 2026 | 52,870 | 75,749 | – | 53,734 | – | 100 |
| Sandi Bahe Yihao | 2027 | 77,018 | – | – | 235,433 | – | 70 |
| Sandi Jinyunfu | 2026 | 40,592 | – | – | 77,331 | – | 51 |
| Fujian Province | | | | | | | |
| Sandi Jiangshan Waterfront | 2027 | 310,176 | 10,525 | – | 255,096 | – | 100 |
| Sandi Xishanyuan | 2027 | 177,010 | – | – | 96,449 | – | 100 |
| Sandi Jinyu Yunyue | 2026 | 17,386 | – | – | 15,383 | – | 100 |
| Shanghai | | | | | | | |
| Sandi Manhattan | 2027 | 104,251 | 156,170 | 55,457 | 120,280 | – | 100 |
| Total | | <u>1,014,383</u> | <u>1,447,066</u> | <u>123,605</u> | <u>1,021,479</u> | <u>–</u> | |
| Attributable to the Group | | <u>971,338</u> | <u>1,447,066</u> | <u>123,605</u> | <u>912,956</u> | <u>–</u> | |

Notes:

- The table above includes properties for which the Group has obtained the relevant land use rights certificate(s) but has not obtained the requisite construction permits or the Group has received the confirmation letter(s) on bidding of granting land use rights but is in progress to obtain the land use right certificate(s). The figures for “GFA available for sale”, “GFA under development” and “Planned GFA for future development” are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- The figures of “Saleable GFA pre-sold” and “GFA available for sale” include saleable GFA of car parks spaces; while figures of “GFA under development” and “Planned GFA for future development” also include non-saleable GFA such as ancillary area.
- “GFA available for sale”, “GFA under development” and “Planned GFA for future development” are derived from the Group’s internal records and estimates.

The following section provides further details of major ongoing projects of the Group.

Shaanxi Province

Sandi Bahe Yihao

Sandi Bahe Yihao (“Bahe Yihao”) project is located in Baqiao District, Xian, north of Xiangyun Road and east of Ba Liu Yi Road. The project is adjacent to the Ba River Ecological Wetland Park, occupies the rare river view resources of the Bahe River, and has an excellent ecological environment in Xian.

Bahe Yihao is comparable to New York’s ONE and London’s One Hyde Park, and is a top-level project built by China Sandi in accordance with the concept of “international vision and quality home building”. The project occupies an area of about 19 acres, with a total GFA of 235,433 sq.m., a floor area ratio of 2.21, and a green area ratio of 35%. The project makes full use of the landscape of the Bahe River to create a high-end improvement quality development in the Bahe River New Area. The project plans five high-rise buildings (24-25 floors), five small high-rise buildings (15-16 floors) and eight multi-storey buildings (5-9 floors) along the Ba River, covering a full range of dwelling choices such as pied-à-terre, houses, and large bungalows, making the project the only high-end quality architectural complex with a full range of dwelling choices along the Ba River. Pre-sale of the project commenced in 2022. During the reporting period, contracted sales amounted to approximately RMB14.4 million.

Shanghai

Sandi Manhattan

Shanghai Sandi Manhattan project (“Sandi Manhattan”) is a major project of the Group in Shanghai. It is situated in the prime location of Shanghai Songjiang District, Songjiang New Town International Ecology Business District with a site area of approximately 104,251 sq.m.. Sandi Manhattan is a mixed-use development complex, including offices, shopping malls and hotels. Hyatt Regency Shanghai Songjiang (“Hyatt Regency”) and Shanghai Sandi Xintiandi (“Sandi Xintiandi”), the projects of Sandi Manhattan, opened in July and December 2021, respectively. Hyatt Regency, an international 5-star hotel, belongs to one of the major investment properties of the Group in Sandi Manhattan. Hyatt Regency is located at the core area of Songjiang New Town International Ecology Business District and provides privileged services to guests. It provides multi-functional spaces of approximately 1,900 sq.m. and 256 guestrooms, including 18 suites, with floor-to-ceiling views of Wulong Lake, gardens or Ecology Business District skyline. Sandi Xintiandi is also located at the core area of Songjiang New Town International Ecology Business District. It is the first ecology semi-open commercial complex project, with approximately 170,000 sq.m. GFA. During the reporting period, contracted sales amounted to approximately RMB19.9 million.

Land bank replenishment

The Group’s strategy is to maintain the sufficiency of land bank portfolio to support the Group’s own development pipeline for the next few years. As at 31 December 2025, the Group had a quality land bank amounting to a total GFA of approximately 1,619,000 sq.m., of which approximately 1,444,000 sq.m. were attributable to the owners of the Company.

The table below summarises the landbank by location as at 31 December 2025:

| Land bank by location | Total GFA <i>(’000 sq.m.)</i> | Attributable GFA <i>(’000 sq.m.)</i> |
|------------------------------|---|--|
| Shaanxi | 712 | 594 |
| Fujian | 728 | 671 |
| Shanghai | 179 | 179 |
| Total | <u>1,619</u> | <u>1,444</u> |

Property Investment

During the reporting period, the Group recognised rental income and property management and related fee income of approximately RMB109.6 million (2024: approximately RMB109.1 million), which was mainly generated by two furniture malls situated in Fuzhou and Baoji. The Group's investment properties also include hotels, kindergarten, commercial and office premises, all of which are all located in the PRC and generated a stable income stream to the Group.

Set out below are the major investment properties held by the Group as at 31 December 2025:

| Location | Existing/ Intended use(s) | Approximate GFA <i>sq.m.</i> | Group's interest % |
|---|------------------------------|------------------------------------|--------------------------|
| Completed investment properties | | | |
| Fujian Province | | | |
| Sandi Furniture Plaza, No. 173 Gongye Road, Yizhou Street, Taijiang District, Fuzhou City | Shopping Mall | 113,252 | 100 |
| Various blocks, Sandi Kaixuan Fengdan, No. 202 Minjiang Avenue, Cangshan District, Fuzhou City | Commercial/ Hotel | 13,477 | 100 |
| Shaanxi Province | | | |
| Red Star Macalline, Block 196, No. 8 Bao Guo Road, Jin Tai District, Baoji City | Shopping Mall | 63,643 | 100 |
| Sandi Plaza, Block 186, No. 8 Bao Guo Road, Jin Tai District, Baoji City | Shopping Mall | 63,125 | 100 |
| Ramada Hotel Block No. 184, No. 8 Bao Guo Road, Jintai District, Baoji City | Hotel | 15,181 | 100 |
| Pesht Boutique, Block No. 25, No. 8 Bao Guo Road, Jintai District, Baoji City | Hotel | 12,248 | 100 |
| Jinjiang Inn, Block No. 18, No. 8 Bao Guo Road, Jintai District, Baoji City | Hotel | 7,094 | 100 |

| Location | Existing/ Intended use(s) | Approximate GFA <i>sq.m.</i> | Group's interest % |
|---|------------------------------|------------------------------------|--------------------------|
| Shanghai | | | |
| Lot N5, No. 11 Zhongshan Street Neighbourhood, Songjiang District | Commercial/ Hotel | 59,701 | 100 |
| Lot N11, No. 11 Zhongshan Street Neighbourhood, Hotel | Commercial | 26,071 | 100 |
| Zhejiang Province | | | |
| Northwest of Weiliu Road and Jingwu Road, Qiantang New District, Hangzhou City | Residential | 16,356 | 100 |
| Northeast of Jingsi Road and Changfeng Road, Qiantang New District, Hangzhou City | Residential | 8,204 | 100 |
| Investment properties under construction | | | |
| Fujian Province | | | |
| Tang Kou, Xi Nan Village, Ge Ling Town, Yongtai County, Fuzhou City | Hotel | 89,668 | 100 |
| Shanghai | | | |
| Lot N6, No. 11 Zhongshan Street Neighbourhood, Songjiang District | Commercial/ Hotel | 122,749 | 100 |

OUTLOOK

In 2025, the global political and economic environment remained challenging.

The real estate market continues to be in a period of adjustment. At the end of 2025, the floor space of commercial buildings available for sale in China stood at approximately 766.3 million sq.m., representing a year-on-year increase of approximately 1.6%. Specifically, the floor space of residential buildings available for sale increased by approximately 2.8%. As a pillar industry of the national economy, the real estate market experienced a significant cooling during the year, which further intensified market adjustment pressures.

Overall, China's property sector has experienced volatile adjustments and encountered unprecedented difficulties in recent years. The Group's liquidity is under unprecedented pressure amid the dual tightening of sales and financing. The Group will adhere to prudent financial policies and strengthen its risk control measures in response to new challenges. The Group will continue to ensure the sufficiency of cash flow, intensify efforts to revitalise under-performing assets and taking various debt management measures to overcome periodic liquidity pressures.

The Group faced a significant decline in property sales in 2025, reflecting the broader challenges confronting the real estate market in China. As an industry participant, the Group has also been affected by these market conditions. Looking ahead to 2026, the Group will continue to closely monitor market developments and respond proactively to the cyclical nature of the industry in order to adapt to evolving market conditions and implement necessary adjustments.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

The Group's revenue is primarily derived from property sales, which contributed approximately 91.4% of the revenue for the reporting period. The table below sets forth the breakdown of the Group's revenue by operating segment as indicated:

| | For the year ended 31 December 2025 | | For the year ended 31 December 2024 | |
|----------------------|--|-------------------|--|-------------------|
| | <i>RMB'000</i> | % | <i>RMB'000</i> | % |
| Property development | 1,158,243 | 91.4 | 1,969,010 | 94.7 |
| Property investment | 109,609 | 8.6 | 109,110 | 5.3 |
| | <u>1,267,852</u> | <u>100</u> | <u>2,078,120</u> | <u>100</u> |

Revenue from property sales

The Group's revenue from property sales decreased to approximately RMB1,158.2 million for the reporting period (2024: approximately RMB1,969.0 million).

The table below summarises the revenue from property sales for the reporting period:

| Property projects | Type | Sales revenue RMB '000 | GFA sq.m. | Average selling price RMB/sq.m. | Percentage of total amount % |
|--------------------------|------------------------|------------------------------|---------------|--|---------------------------------------|
| Zhejiang Province | | | | | |
| Sandi Yasong Meizhu | Residential | 6,113.4 | 5,058 | 12,122 | 5.5 |
| Fujian Province | | | | | |
| Sandi Yungu Fengdan | Residential/Commercial | 62,528 | 6,597 | 9,479 | 5.6 |
| Sandi Yasong Fengdan | Residential | 165,383 | 9,221 | 17,936 | 14.7 |
| Sandi Fengdan Yazhu | Residential | 562,365 | 39,895 | 14,096 | 50.0 |
| Shanghai | | | | | |
| Sandi Manhattan | Commercial | 141,433 | 4,737 | 29,857 | 12.6 |
| Others | | 129,919 | 15,581 | 8,338 | 11.6 |
| Total | | 1,122,942 | 81,089 | 13,848 | 100.0 |

Notes:

- i. Sales revenue amount and the calculation of average price are based on the sales revenue after the deduction of business/value-added tax and other surcharges/taxes.
- ii. GFA and sales revenue attributable to the car parking spaces are excluded in the GFA sold and the average selling price calculation.

Revenue from property investment

Revenue from property investment including rental income and property management and related fee income amounted to approximately RMB109.6 million for the reporting period (2024: approximately RMB109.1 million), which was derived from the Group's investment properties situated in the PRC, including shopping malls, commercial buildings and kindergartens.

Cost of properties sales

The Group's cost of properties sales decreased to approximately RMB1,021.4 million for the reporting period (2024: approximately RMB1,934.3 million). The decrease was primarily attributable to the lower revenue recognised from property development during the reporting period as compared with 2024.

Write-down of inventories of properties

For the year ended 31 December 2025, write-down of completed properties held for sale to net realisable value of approximately RMB79.7 million (2024: nil) was recognised in the consolidated statement of comprehensive income.

For the year ended 31 December 2025, write-down of properties under development for sale to net realisable value of approximately RMB28.0 million (2024: approximately RMB586.6 million) was recognised in the consolidated statement of comprehensive income.

These write-down of properties due to the the impact of mainland real estate market, which resulted in the expected net realizable value being lower than the carrying value.

Change in fair value on investment properties and upon transfer to investment properties

For the reporting period, the Group recognised a net fair value loss of approximately RMB305.5 million on its investment properties (2024: approximately RMB3,870.5 million). The significant decrease in fair value loss on the Group's investment properties was mainly due to the fact that the rental market environment in the PRC has shown signs of recovery in 2025.

Change in fair value of derivative component of convertible bonds

During the reporting period, the Group recognised a fair value loss of approximately RMB13.6 million (2024: approximately RMB10.0 million) on the derivative components of the convertible bonds.

Other gains/losses, net

The Group recognised net other losses of approximately RMB5.3 million for the reporting period (2024: net other gains of approximately RMB44.2 million), which was mainly attributed to impairment loss on trade and other receivables as mentioned above.

Selling and marketing expenses

The Group's selling and marketing expenses decreased by approximately RMB16.1 million from approximately RMB51.1 million for the year ended 31 December 2024 to approximately RMB35.0 million for the reporting period. Such change was due to less agent fees were incurred as a result of decrease in contract sales.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB23.5 million from approximately RMB47.0 million for the year ended 31 December 2024 to approximately RMB23.5 million for the reporting period. Such change was due to a decrease in salary expenses as a result of reduced number of employees.

Finance costs

Finance costs consist of interest expenses on banks and other borrowings, convertible bonds, promissory note, contract liabilities, amounts due to a related company and lease liabilities. The finance costs amounted to approximately RMB420.3 million (2024: approximately RMB403.6 million) for the reporting period. The increase in finance cost was attributable to the increase of interest rate of loans.

Income tax credit

Income tax credit mainly comprises the PRC enterprise income tax and land appreciation tax amounted to approximately RMB61.1 million for the reporting period (2024: income tax credit of approximately RMB786.2 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had bank and other borrowings of approximately RMB5,553.1 million denominated in RMB (31 December 2024: approximately RMB5,833.1 million denominated in RMB) and other debts comprising convertible bonds, promissory note and amounts due to related companies in total amount to approximately RMB1,044.9 million denominated in HK\$ and RMB (31 December 2024: approximately RMB1,040.5 million denominated in HK\$ and RMB). As at 31 December 2025 and 2024, all bank and other borrowings were secured with fixed interest rate. The bank and other borrowings with maturities falling due within one year, in the second year, in the third to the fifth year, over five years amounted to approximately RMB5,553.1 million, nil, nil and nil, respectively (31 December 2024: approximately RMB5,833.1 million, nil, nil and nil, respectively). Further details of the bank and other borrowings, are set out in note 15 to the consolidated financial statements in this announcement.

As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB40.5 million (31 December 2024: approximately RMB100.4 million) which were mainly denominated in HK\$ and RMB.

As at 31 December 2025, the gearing ratio for the Group was approximately 20,859.7% (31 December 2024: approximately 1,241.7%), calculated based on the net debts (comprising bank and other borrowings and other debts comprising convertible bonds, promissory note and amounts due to related companies less cash and cash equivalent) of approximately RMB6,598.0 million (31 December 2024: approximately RMB6,773.2 million) over the total equity of approximately RMB31.4 million (31 December 2024: approximately RMB545.5 million). The debt ratio was approximately 99.8% (31 December 2024: approximately 96.8%), calculated as total liabilities over total assets of the Group.

The Group's current available liquidity resources are sufficient to meet its capital commitments. As at 31 December 2025, the Group's net current liabilities amounted to approximately RMB5,415.8 million (31 December 2024: net current assets approximately RMB5,170.8 million). The Group's current ratio, being percentage of its current assets and its current liabilities, amounted to approximately 62.1% (31 December 2024: approximately 67.6%).

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders of the Company (the “Shareholders”), issue new shares or sell assets to reduce debt.

CAPITAL STRUCTURE

The capital structure of the Group and fund raising activities during the reporting period are summarised as follows:

(i) Bank and other borrowings

As at 31 December 2025, the Group had bank and other borrowings of approximately RMB5,553.1 million (31 December 2024: approximately RMB5,833.1 million), of which approximately RMB5,553.1 million are repayable within one year. The Group’s bank and other borrowings bear interest rates ranging from approximately 2.8% to 10.0% per annum. All the bank and other borrowings were denominated in RMB. As at 31 December 2025, borrowings of approximately RMB1,803.4 million and certain interest payable that were not repaid according to their respective repayment schedules, might be demanded for early repayment. As at the date of this announcement, bank and other borrowings of approximately RMB1,803.6 million and certain interest payable were not repaid in accordance with their respective repayment schedules pursuant to their respective loan agreements. The Group is actively communicating with banks on the extension of existing loans.

(ii) Promissory note

As at 31 December 2025, the Company had a promissory note (the “Promissory Note”) with principal of HK\$800 million issued to Mr. Guo, the chairman of the Board and an executive Director, with interest of 6% per annum, with interest payable annually in arrears and the principal will be repaid when the Promissory Note falls due on 30 January 2029. The Promissory Note is denominated in HK\$. There was no early redemption of the Promissory Note requested by the Company or Mr. Guo during the reporting period.

(iii) Convertible bonds

As at 31 December 2025, the Company had a convertible bonds (the “CBs”) with principal amount of HK\$300 million with interest of 2% per annum payable annually in arrears and carrying a conversion price of HK\$0.09 per conversion Share, with conversion rights to convert into a maximum of 3,333,333,333 Shares. The principal will be repaid when the CBs fall due on 30 January 2029 if no conversion happened on or before 30 January 2029. The CBs are denominated in HK\$. There was no early redemption of the CBs requested by the Company or the CB holder during the reporting period.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except for investment in subsidiaries, there were no significant investments held by the Group as at 31 December 2025.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2025, the Group had pledged certain investment properties, properties under development, land use rights and certain inventories of properties of an aggregate carrying value of approximately RMB8,931 million (31 December 2024: approximately RMB9,360.0 million) together with certain rental proceeds over investment properties, and shares of certain subsidiaries of the Group to secure the bank and other facilities granted to the Group.

CONTINGENT LIABILITIES

The Group had entered into agreements with certain banks to provide guarantees in respect of mortgage facilities granted to purchasers of the Group's properties. As at 31 December 2025, the Group provided guarantees for mortgage loans in an amount of approximately RMB1,644.6 million (31 December 2024: approximately RMB2,083.2 million) to banks in respect of such agreements. In addition, certain subsidiaries of the Group had also provided corporate guarantees amounting to approximately RMB55.9 million (31 December 2024: approximately RMB123.7 million) to certain financial institutions in respect of loan facilities granted to certain independent third parties during the reporting period.

COMMITMENTS

As at 31 December 2025, the Group had capital commitments in respect of investment properties, properties under development and property, plant and equipment amounted to approximately RMB284.8 million (31 December 2024: approximately RMB311.1 million).

FOREIGN EXCHANGE EXPOSURE

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC and Hong Kong denominated in RMB and HK\$, respectively. As at 31 December 2025, the Group did not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate. As at 31 December 2025, the Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedging or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions.

EMPLOYEES

As at 31 December 2025, the Group employed a total of 133 employees (31 December 2024: 163 employees) of which 131 employees (31 December 2024: 161 employees) were hired in the PRC and 2 employees (31 December 2024: 2 employees) in Hong Kong. Total remuneration paid to the employees for the reporting period amounted to approximately RMB19.5 million (2024: approximately RMB36.2 million). In addition to competitive remuneration packages offered to the employees, the Group also provides other benefits including contributions to mandatory provident fund, as well as group medical and accident insurance. On-going training sessions were also conducted to enhance the competitiveness of the Group's human assets. The Company also maintains a share option scheme, pursuant to which share options may be granted to the Directors, executives and employees of the Company to provide them with incentives in the growth of the Group.

PROPERTY VALUATION

Property valuation on the Group's investment properties located in the PRC as at 31 December 2025 had been carried out by an independent qualified professional valuer, Ravia Global Appraisal Advisory Limited. The property valuation was used in preparing the annual results. The valuation was based on income capitalization approach by making reference to comparable market information as available in the relevant markets. For investment properties under development, the valuation has also taken into account the construction costs expended and to be expended to complete the development. The Group's investment properties were valued at approximately RMB5,700.0 million as at 31 December 2025 (31 December 2024: approximately RMB6,005.5 million). A net fair value loss of approximately RMB305.5 million (2024: net fair value loss of approximately RMB3,870.5 million) was recognised to the consolidated statement of profit or loss for the reporting period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its code of conduct in respect of the securities dealing by the Directors. The Company has made specific enquiry to all Directors in respect of the securities dealing by the Directors and all Directors confirmed that they have complied with the Model Code during the reporting period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise an effective Board, sound internal control, appropriate independence policy, transparency and accountability so as to safeguard the interests of the Shareholders.

The Board is committed to comply with the code provisions (the “Code Provisions”) as set out in the Corporate Governance Code (the “CG Code”) under Appendix C1 to the Listing Rules to the extent that the Directors consider it to be practical and applicable to the Company. During the reporting period and up to the date of this announcement, the Company has complied with the CG Code except for the following deviation:

Code Provision C.2.1

The roles of the chairman and the chief executive officer should be segregated and not be exercised by the same individual. The chairman is responsible for the corporate strategic planning and formulation of corporate policies for the Group, while the chief executive officer is responsible for overseeing day-to-day management of the Group’s business.

Mr. Guo currently serves as the chairman of the Board (the “Chairman”).

Up to date of this announcement, no individual was appointed as the chief executive officer of the Company (the “CEO”). The day-to-day management of the Group’s business is monitored by the executive Directors and senior management. Given the size of the Group, the current business operations and administration have been stable, the Board is of the view that the current management structure is able to effectively discharge the duties of both positions. However, going forward, the Board will review from time to time and separate the roles of the Chairman and the CEO when necessary.

The Company considers that sufficient measures have been taken to ensure the Company’s corporate governance practices are no less exacting than those in the CG Code. The Board will continue to monitor and review the Company’s corporate governance practices in order to ensure that such practices may meet the general rules and standards as required by the Listing Rules. The Board believes that sound and reasonable corporate governance practices are essential for sustainable growth of the Group and for benefit of the Group and the Shareholders as a whole.

AUDIT COMMITTEE

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The Audit Committee which comprised Ms. Zhang Jianchan, Mr. Liao Yiyi, Ms. Yu Huaxiu, being all the independent non-executive Directors, has reviewed the accompanying financial statements prior to their publication. The Audit Committee has reviewed with management, the Group’s consolidated results for the year ended 31 December 2025, and was of the opinion that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group’s auditor, CCTH CPA Limited (“CCTH”), to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2025. The work performed by CCTH in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CCTH on this preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of independent auditor’s report issued by the Group’s independent auditor:

To the Shareholders of China Sandi Holdings Limited
(incorporated in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Sandi Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR DISCLAIMER OF OPINION

Material uncertainties relating to going concern

As set out in note 3.1 to the consolidated financial statements, during the year ended 31 December 2025, the Group recorded a loss for the year of RMB575,309,000. As at 31 December 2025, the Group had net current liabilities of RMB5,415,830,000, and current liabilities of RMB14,299,115,000, including (i) bank and other borrowings due within one year amounting to RMB5,553,068,000, (ii) certain advances from third parties, which are included in other payables, amounting to RMB1,258,189,000, in aggregate, which are repayable on demand or within one year, (iii) debt component of convertible bond of RMB227,324,000 (iv) promissory note of RMB720,659,000 and (v) amount due to the ultimate controlling shareholder of RMB99,626,000. However, the Group had cash and cash equivalents and restricted bank deposits only amounted to RMB40,515,000 and RMB41,784,000, respectively,

Furthermore, as at 31 December 2025, the Group did not repay certain bank and other borrowings at an aggregate carrying value of approximately RMB3,749,648,000 and aggregate interest payables of RMB539,947,000 (“Overdue Borrowings”) in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Borrowings, the Overdue Borrowings would be immediately repayable if requested by the respective lenders. In addition, out of the Overdue Borrowings of RMB3,749,648,000, bank and other borrowings with carrying amount of RMB239,140,000 were also in breach of financial covenants.

Other than the Overdue Borrowings, as at 31 December 2025, the Group’s bank and other borrowings at an aggregate carrying value of RMB1,803,420,000 and aggregate interest payables of RMB225,662,000 (“Cross-default Borrowings”) contained a cross-default clause in the respective financing agreements, under which Cross-default Borrowings were considered defaulted if any bank and other borrowings of the Group had been defaulted. Pursuant to the terms of the Cross-default Borrowings, the Cross-default Borrowings would be immediately due if requested by the lenders. Accordingly, at as 31 December 2025, default and cross-default bank and other borrowings of the Group amounted to a total of RMB5,553,068,000 and default and cross-default interest payables amounted to a total of RMB765,609,000. These financial conditions, together with the plans and measures as described in note 3.1 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern.

Accordingly, at as 31 December 2025, events of default and cross-default occurred in respect of certain bank and other borrowings of the Group amounting to RMB5,553,068,000 and interest payables amounting to RMB765,609,000 in total.

The directors of the Group have taken various plans and measures to improve the Group’s liquidity and financial position as described in note 3.1 to the consolidated financial statements. After taking into account the financial conditions, plans and measures, the directors of the Group are of the opinion that the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from the date of these consolidated financial statements and therefore have prepared the consolidated financial statements based on a going concern basis.

However, we were unable to obtain sufficient appropriate evidence to satisfy ourselves that the plans and measures taken by the Group underpinning the cash flow forecast of the Group for going concern assessment are reasonable and supportable, including but not limited to, whether the Group will be able to enter into agreements with the lenders on the extension of the repayment schedule of certain borrowings and whether there will be new or other alternative financing from other financial institutions. As a result, we were unable to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements by the directors of the Group.

Should the Group be unable to achieve the plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any such adjustments.

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and to issue an auditor's report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this announcement. However, because of the matters described in the Basis for Disclaimer of Opinion section of this announcement, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.chinasandi.com.cn). The annual report of the Company for the year ended 31 December 2025 will be despatched to the Shareholders and will be published on the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank our valued customers, suppliers and business associates for their invaluable contributions and support. I also want to express my gratitude to our management team and all staff of the Group for their hard work during the year. Last but not least, I am most grateful to our Shareholders for their continuous support and confidence.

By order of the Board
China Sandi Holdings Limited
Guo Jiadi
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Guo Jiadi and Mr. Wang Chao, being the executive Directors; Ms. Amika Lan E Guo, being the non-executive Director; Ms. Yu Huaxiu, Mr. Liao Yiyi, Ms. Zhang Jianchan, being the independent non-executive Directors.