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Mingfa Group (International) Company Limited

明發集團（國際）有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00846)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 AND RESUMPTION OF TRADING

The board (the “**Board**”) of directors (the “**Directors**”) of Mingfa Group (International) Company Limited (the “**Company**”) is pleased to announce the audited results of the Company and its subsidiaries for the year ended 31 December 2025.

This announcement, containing the full text of the annual report of the Company for the year ended 31 December 2025 (the “**2025 Annual Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of the annual results. These annual results have been prepared under the Hong Kong Financial Reporting Standards and reviewed by the audit committee of the Board.

The 2025 Annual Report will be despatched to shareholders of the Company and will also be available on the websites of the Company (<http://www.ming-fa.com>) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

RESUMPTION OF TRADING

Reference is made to the announcement of the Company dated 31 March 2026. At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 April 2026, pending the publication of this results announcement in respect of the annual results of the Group for the year ended 31 December 2025. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 27 April 2026.

On behalf of the Board
Mingfa Group (International) Company Limited
Poon Wing Chuen
Company Secretary

Hong Kong, 24 April 2026

As at the date of this announcement, the Board comprises:

<i>Executive Directors:</i>	<i>Mr. Ng Man Fung Walter, Ms. Shang Xuan, and Mr. Huang Zhibin</i>
<i>Non-executive Directors:</i>	<i>Dr. Lam, Lee G. (Chairman of the Board), and Ms. Chen Bihua</i>
<i>Independent non-executive Directors:</i>	<i>Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus, and Mr. Chan Sing Lai</i>



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ng Man Fung Walter
Ms. Shang Xuan (*appointed as the Chief executive officer on 1 January 2025*)
Mr. Huang Zhibin (*appointed on 9 October 2025*)
Mr. Zhong Xiaoming
(*resigned effective from 1 January 2025*)

Non-Executive Directors

Dr. Lam, Lee G. (*Chairman*)
Ms. Chen Bihua (*appointed on 9 October 2025*)

Independent Non-Executive Directors

Mr. Lau Kin Hon
Mr. Chu Kin Wang Peleus
Mr. Chan Sing Lai

COMPANY SECRETARY

Mr. Poon Wing Chuen (*FCCA*)

AUDIT COMMITTEE

Mr. Chu Kin Wang Peleus
(*chairperson of the committee*)
Mr. Lau Kin Hon
Mr. Chan Sing Lai

NOMINATION COMMITTEE

Mr. Chan Sing Lai (*chairperson of the committee*)
Mr. Chu Kin Wang Peleus
Ms. Shang Xuan (*appointed on 24 June 2025*)
Mr. Lau Kin Hon (*resigned effective from 24 June 2025*)

REMUNERATION COMMITTEE

Mr. Lau Kin Hon (*chairperson of the committee*)
Mr. Chu Kin Wang Peleus
Mr. Chan Sing Lai

RISK MANAGEMENT COMMITTEE

Mr. Chan Sing Lai (*chairperson of the committee*)
Mr. Lau Kin Hon
Mr. Chu Kin Wang Peleus

AUTHORISED REPRESENTATIVES

Mr. Ng Man Fung Walter
Mr. Poon Wing Chuen (*FCCA*)

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

HEAD OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

Jiangsu Mingfa Business Park
No. 88 Pudong North Road
Pukou, Nanjing City
Jiangsu Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat B, 30/F
Plaza 88,
88 Yeung Uk Road
Tsuen Wan
Hong Kong

COMPANY'S WEBSITE

<http://www.ming-fa.com>

STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED (MAIN BOARD)

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**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of China (Hong Kong) Limited

LEGAL ADVISER AS TO HONG KONG LAWS

DEHENG LAW OFFICES (HONG KONG) LLP
28th Floor, Henley Building
5 Queen's Road Central
Central
Hong Kong

Room 1111, 11/F
New World Tower I
No. 16-18 Queen's Road Central
Hong Kong

Room 3507, 35/F
Edinburgh Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong



CHAIRMAN'S STATEMENT





Dear Shareholders,

On behalf of the Board of Directors of Mingfa Group (International) Company Limited ("**Company**" and together with its subsidiaries, "**Group**" or "**Mingfa Group**"), I am pleased to present the annual report for the year ended 31 December 2025.

During the year under review, China's real estate industry gradually showed signs of recovery. Following the supportive measures introduced by the PRC government at the end of 2024, including reductions in mortgage interest rates and relaxed down payment requirements for second-home purchases, the property market began to stabilize. Secondary home sales continued to grow, and overall market confidence improved. However, the commercial property segment remained under pressure due to the ongoing expansion of e-commerce and changes in consumer behavior.

In this environment, the Group has adhered to prudent financial management and operational resilience. We continued to strengthen liquidity, optimize cash flow, and maintain a low gearing ratio. These measures have enabled us to withstand market volatility and prepare for sustainable development. At the same time, we actively explored diversification opportunities, enhanced asset utilization, and adapted to new trends in urban development.

The wellbeing of our employees, customers, and communities has always been at the heart of our strategy. We have reinforced safety standards, invested in talent development, and deepened engagement with stakeholders to ensure that Mingfa Group continues to fulfill its responsibilities as a corporate citizen.

Looking ahead to 2026, the property market is expected to remain on a path of cautious recovery. The Group will continue to pursue disciplined growth, balancing risk management with strategic investments to achieve long-term value creation.

Finally, I would like to express my sincere gratitude to the members of the Board for their guidance, to our shareholders and business partners for their trust and support, and to our dedicated staff for their unwavering commitment. Together, we will continue to meet challenges and seize opportunities in the evolving market landscape.

Dr. Lam, Lee G.
Chairman

24 April 2026







MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Percentage of (Decrease)/ Increase
	2025 (audited)	2024 (audited)	
Revenue (<i>RMB million</i>)	4,385.2	7,030.3	(37.6%)
(Loss) for the year (<i>RMB million</i>)	(1,198.7)	(1,809.2)	(33.7%)
(Loss) attributable to equity holders of the Company (<i>RMB million</i>)	(1,227.2)	(1,791.1)	(31.5%)
Basic and diluted (losses) per share (<i>RMB cents</i>)	(20.1)	(29.4)	(31.6%)

MANAGEMENT DISCUSSION AND ANALYSIS



RESULTS

The consolidated revenue of the Group was approximately RMB4,385.2 million for 2025 (2024: approximately RMB7,030.3 million), representing a decrease of 37.6% as compared to 2024. The consolidated loss for the year and loss attributable to equity holders of the Company were approximately RMB1,198.7 million and RMB1,227.2 million respectively for 2025 (2024: RMB1,809.2 million and RMB1,791.1 million respectively), representing a decrease of 33.7% and 31.5% respectively as compared to 2024. The basic and diluted loss per share were RMB20.1 cents for 2025 (2024: basic and diluted loss per share RMB29.4 cents per share), representing a decrease of 31.6% as compared to 2024.

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

INDUSTRY REVIEW

In 2025 the PRC residential market recorded measured stabilization driven by policy easing, improved mortgage affordability and constrained supply. Investment and new starts contracted, while transaction recovery concentrated in core cities. Accounting and finance adopted conservative revenue recognition, rigorous impairment testing, increased provisioning and robust stress-testing of cash-flow forecasts and covenant compliance. Developers pursued deleveraging, accelerated completion of saleable inventory and asset disposals to restore liquidity. Investors reallocated toward high-quality assets in urban centres, and creditors engaged in restructuring to contain contagion. These strategies preserved cash flow, reduced execution risk and enabled recovery amid regional divergence and refinancing pressures.

PROSPECT

Policy easing improved mortgage affordability and transaction liquidity, concentrating recovery in core cities while lower-tier markets lag. The Group will continue to streamline its operations and maintain a low gearing ratio in the uncertain market conditions. Additional policies will be applied included accelerating completion of saleable inventory, deleveraging through asset disposals, slowing land acquisition, and deploying targeted sales incentives to restore cash flow.

The Group will continue to focus on the Yangtze River Delta where 63.3% of total gross floor area is located in Anhui and Jiangsu Province as at 31 December 2025. In order to increase liquidity, the Group will launch various sales policies to stimulate the sales demand and slow down the land acquisition.



BUSINESS REVIEW

Sales and Earnings

The revenue of the Group was approximately RMB4,385.2 million for 2025 (2024: approximately RMB7,030.3 million), representing a decrease of 37.6% as compared to 2024. The decrease in revenue in 2025 was mainly due to the decrease in the GFA delivered from 1,058,431.0 sq.m. in 2024 to 642,641.0 sq.m. in 2025.

The gross profit of the Group was approximately RMB704.0 million for 2025, representing a decrease of 53.6% as compared to 2024 (2024: approximately RMB1,516.8 million). The gross profit decreased in line with the decrease in revenue in 2025.

The loss for the year of the Group decreased by 33.7% from RMB1,809.2 million in 2024 to RMB1,198.7 million in 2025. The decrease in loss in 2025 was mainly attributable to a lower provision for land appreciation tax, arising from the decline in gross margin from 21.6% in 2024 to 16.1% in 2025.

The loss attributable to the equity holders of the Company decreased by 31.5% from approximately RMB1,791.1 million in 2024 to RMB1,227.2 million in 2025. The decrease in loss in 2025 was mainly attributable to a lower provision for land appreciation tax, arising from the decline in gross margin from 21.6% in 2024 to 16.1% in 2025.

The cost of sales of the Group was approximately RMB3,681.2 million for 2025, representing a decrease of 33.2% as compared to 2024 (2024: approximately RMB5,513.4 million). Cost of sales decreased in line with the decrease in revenue in 2025.

The average cost of properties included in cost of sales of the Group was RMB4,692.2 per sq.m. for 2025, representing an increase of 6.2% compared to 2024 (2024: average cost of properties included in cost of sales was RMB4,419.1 per sq.m.).

Fair value loss in investment properties was approximately RMB972.0 million in 2025 (2024: approximately RMB1,198.8 million). The fair value loss was mainly due to decrease in market value of commercial properties in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Other gains were approximately RMB151.0 million in 2025 (2024: other losses of approximately RMB33.1 million). The turnaround was mainly due to the gain on disposal of investment properties in 2025.

Selling and marketing costs of the Group were approximately RMB312.4 million in 2025, representing a decrease of 21.4% as compared to 2024 (2024: approximately RMB397.3 million). The decrease was mainly due to the decrease in sales commission led by the decrease in sales.

General and administrative expenses of the Group amounted to approximately RMB481.6 million in 2025, representing a decrease of 30.0% compared with 2024 (2024: approximately RMB688.0 million). The reduction was primarily attributable to streamlined operations, including the consolidation of various offices during 2025.

Net finance income of the Group decreased by 95.0% to approximately RMB2.6 million in 2025 (2024: approximately RMB52.0 million).

During the reporting period, the average selling price of the Group's delivered properties was RMB5,437.7 per sq.m., representing a decrease of 3.7% as compared to 2024 (2024: RMB5,643.7 per sq.m.).

The total GFA sold and delivered by the Group in 2025 was approximately 642,641 sq.m., representing a decrease of 39.3% as compared to 2024 (2024: approximately 1,058,431 sq.m.). Such decrease was due to the decrease in properties delivered in Liu'an, Yan'an and Fengxian in 2025.

The GFA of the properties delivered by the Group in 2025 and the ASP per sq.m. were as follows:

	Sales Revenue (RMB'000)		GFA Delivered (sq.m.)		Average Selling Price (RMB per sq.m.)	
	2025	2024	2025	2024	2025	2024
Qingyang Yangguang Qingcheng	674,994.8	225,402.4	123,724.8	42,609.4	5,455.6	5,290.0
Shenyang Mingfa Jinxiu Hua City	312,786.7	n/a	67,096.0	n/a	4,661.8	n/a
Pingliang Mingfa European City	292,450.9	106,563.4	60,413.4	22,274.8	4,840.8	4,784.0
Zhangzhou Longhai Mingfa Mall	278,118.5	289,235.2	43,762.0	44,323.8	6,355.3	6,525.5
Ma'anshan Ming De Mingbo Yue City	257,517.5	152,694.3	43,479.8	25,941.9	5,922.7	5,886.0
Changsha Mingfa Shopping Mall	233,972.5	97,193.1	34,467.9	12,568.9	6,788.1	7,732.8
Zibo Mingfa World Trade Centre	230,401.3	547,935.3	37,641.0	64,994.8	6,121.0	8,430.4
Ma'anshan Mingshun Mingbo Yue City	191,758.5	n/a	31,298.1	n/a	6,126.8	n/a
Fengyang Shui Yun Ya She	148,360.6	n/a	34,938.4	n/a	4,246.3	n/a
Huai'an Mingfa Shopping Mall	105,976.2	84,916.9	15,878.8	13,719.4	6,674.1	6,189.5
Quanzhou Mingfa International Huachang City	102,698.9	255,264.0	16,650.5	39,553.0	6,167.9	6,453.7
Shenyang Shuiyun	91,911.1	171,391.7	17,346.1	31,443.5	5,298.7	5,450.8
Wujing Mingfa Jiangwan City	89,286.2	368,628.7	14,512.2	57,809.6	6,152.5	6,376.6
Zibo Taohua Yuanzhu	88,069.0	112,645.7	17,272.8	18,282.8	5,098.7	6,161.3
Xiamen Mingfa Shopping Mall	75,780.6	n/a	11,678.9	n/a	6,488.7	n/a
Huizhou Mingfa Gaobang New Town	74,982.7	56,334.5	13,601.4	8,034.2	5,512.9	7,011.9



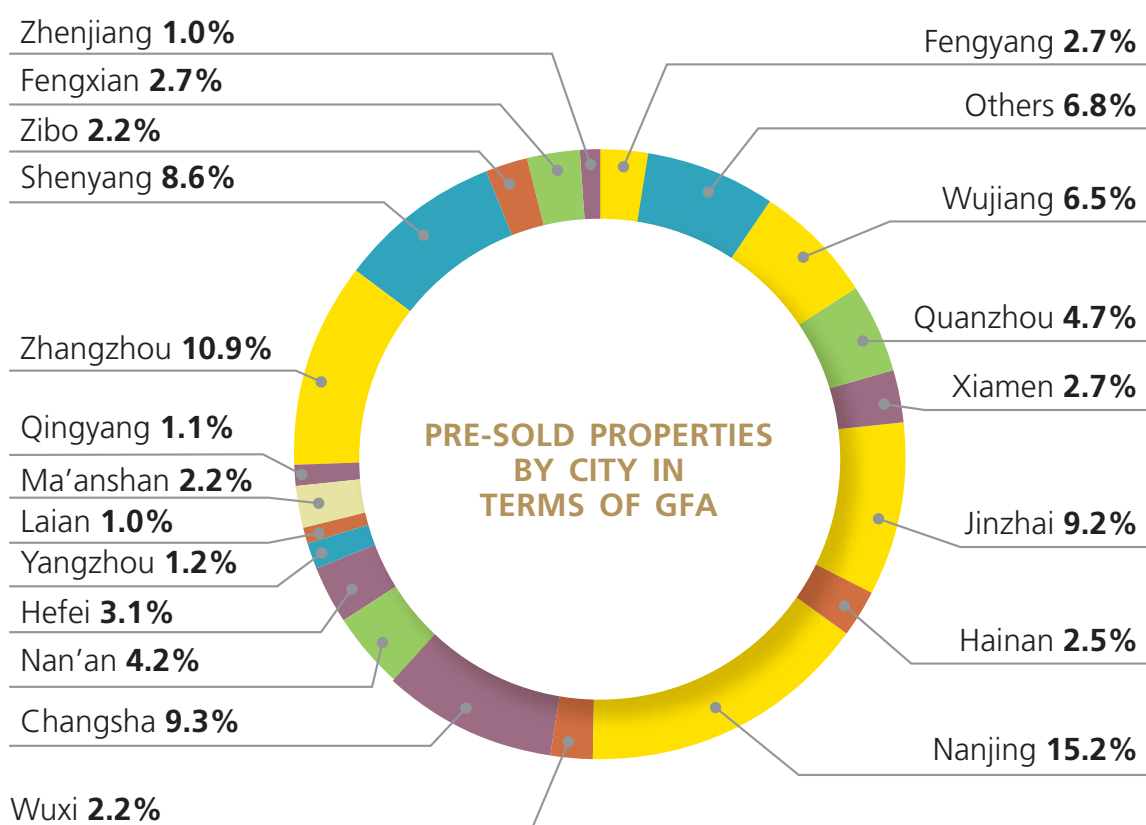
	Sales Revenue (RMB'000)		GFA Delivered (sq.m.)		Average Selling Price (RMB per sq.m.)	
	2025	2024	2025	2024	2025	2024
Nanjing Mingrong Garden	71,276.2	68,519.6	5,820.7	5,191.9	12,245.3	13,197.3
Nanjing Yueli Commercial Centre	43,048.7	96,529.8	3,320.0	8,196.3	12,966.5	11,777.2
Nanjing Mingfa City Square	38,888.3	n/a	5,537.3	n/a	7,023.0	n/a
Liu'an Yeji Minghui City	30,521.4	441,511.4	7,791.5	102,438.8	3,917.3	4,310.0
Mingfa Yan'an Zhi Xing	29,561.9	542,362.1	4,624.1	64,652.2	6,393.0	8,388.9
Xingyue City	n/a	548,525.4	n/a	116,422.6	n/a	4,711.5
Mingfa North Station Mei Yuan	n/a	172,967.4	n/a	31,955.0	n/a	5,412.8
Jinzhai Mingfa Yueshanyuefu	n/a	124,345.2	n/a	37,580.3	n/a	3,308.8
Mingfa Yuhong Commercial and Residential Project	n/a	109,763.7	n/a	22,725.2	n/a	4,830.0
Mingfa North Station Ya Yuan	n/a	88,576.4	n/a	16,364.1	n/a	5,412.8
Dingyuan Mingfa Shuiyun Taoyuan	n/a	45,188.8	n/a	11,149.3	n/a	4,053.1
Siyang Mingfa Shoufu	n/a	27,072.9	n/a	6,237.6	n/a	4,340.3
Nanjing Mingfa International Business Centre	n/a	25,769.9	n/a	2,137.5	n/a	12,056.3
Chuzhou Wanqiao Xiyuan	n/a	16,398.8	n/a	4,163.4	n/a	3,938.8
Others	32,141.5	1,197,762.9	31,785.3	247,660.6	1,011.2	4,836.3
	3,494,504.0	5,973,499.5	642,641.0	1,058,430.8	5,437.7	5,643.7

MANAGEMENT DISCUSSION AND ANALYSIS

CONTRACTED SALES

During the year under review, the Group recorded contracted sales of approximately RMB2,414.9 million with GFA of 381,440 sq.m. (2024: approximately RMB5,272.8 million with GFA of 615,916 sq.m.).





MANAGEMENT DISCUSSION AND ANALYSIS

PRE-SOLD PROPERTIES

As at 31 December 2025, the aggregated attributable GFA of pre-sold properties not yet delivered to the buyers was approximately 611,461 sq.m. (2024: approximately 823,507 sq.m.). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

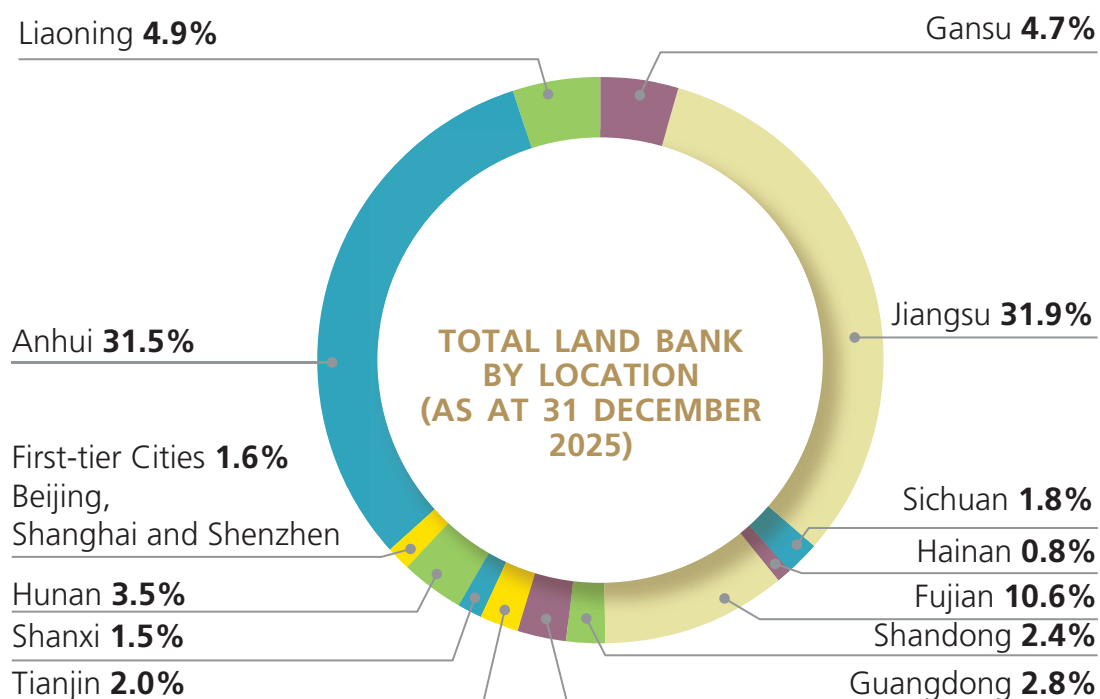
City	Project	Group's Interest	Attributable GFA (sq.m.)
Changsha	Changsha Mingfa shopping Mall	100%	56,951
Jinzhai	Jinzhai Mingfa City Square	100%	56,098
Zhangzhou	Zhangzhou Longhai Mingfa Mall	100%	55,239
Shenyang	Shenyang Mingfa Jinxiuhwa City	100%	52,642
Wujiang	Wujiang Mingfa Jiangwan New City	100%	39,981
Nanjing	Nanjing Mingfa Shopping Mall	100%	30,705
Quanzhou	Quanzhou Mingfa International Huachang City	100%	28,979
Nan'an	Nan'an Guozhong Hua Yuan	100%	25,832
Hefei	Hefei Mingfa Shopping Mall	100%	19,027
Nanjing	Nanjing Mingfa Riverside New Town	100%	17,955
Fengxian	Fengxian Xingyue City	70%	16,794
Fengyang	Fengyang Shuiyun Yaju	100%	16,577
Xiamen	Xiamen Mingfa Shopping Mall	100%	16,537
Hainan	Hainan Auhua	60%	14,992
Zibo	Zibo Mingfa Internet Industrial Park	100%	13,430
Wuxi	Wuxi Mingfa Shopping Mall	100%	13,388
Ma'anshan	Ma'anshan Tian Yue Fu	90%	13,249
Zhangzhou	Zhangzhou Mingfa Shopping Mall	100%	11,558
Nanjing	Nanjing Rongli	51%	11,008
Nanjing	Nanjing Mingfa City Square	100%	10,420
Nanjing	Mingfa Nanjing Cross-strait Science and Technology Base	100%	9,608
Yanzhou	Yangzhou Mingfa Shopping Mall	100%	7,048
Qingyang	Qingyang Yangguang Qingcheng	100%	6,956
Nanjing	Nanjing Mingfa Pearl Spring Resort	100%	6,718
Nanjing	Nanjing Mingfa International Business Centre	100%	6,418
Laian	Mingfa North Station New Town	100%	6,144
Zhenjiang	Zhenjiang Jinxiu Yinshan	100%	5,862
Others			41,345
Total			611,461



SUMMARY OF LAND BANK

As at 31 December 2025, land reserves attributable to the Group increased by 3.1% to approximately 16.8 million sq.m. (2024: approximately 16.3 million sq.m.), consisting of 129 projects (2024: 129 projects) in total.

	Number of Projects	Attributable GFA (million sq.m.)
Completed projects	53	3.4
Projects under development	65	10.9
Projects for future development	11	2.5
Total	129	16.8



MANAGEMENT DISCUSSION AND ANALYSIS

The following tables summarize the details of the Group's land reserves as at 31 December 2025:

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 3)	Approximate Leasable and Saleable GFA (sq.m.) (Note 4)	Group's Interest	Attributable GFA (sq.m.) (Note 4)
Completed Properties (held for sale/leasing) (Note 1)								
Xiamen Mingfa Seascape Garden	Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/ Office	Completed	18,247	120	100%	120
Xiamen Mingfa Noble Place	Located at Jiangtou Residential, Huli District, Xiamen, Fujian Province	Dec/2004	Residential/Commercial/ Office	Completed	5,529	1,287	100%	1,287
Xiamen Mingfa Garden	Located at Huanhuli South, Lvlng Road, Siming District, Xiamen, Fujian Province	Apr/2005	Residential/Commercial	Completed	18,697	13,527	100%	13,527
Xiamen Jianqun Elegant Garden	Located at north of Qianpu Lianqian East Road, Huli District, Xiamen, Fujian Province	Apr/2005	Residential/Office	Completed	10,257	1,418	100%	1,418
Xiamen Mingfa International New Town	Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province	Feb/2002	Residential/Commercial/ Office	Completed	26,016	5,435	100%	5,435
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Oct/2007	Commercial/Office/Hotel	Completed	166,775	1,619	100%	212
Xiamen Mingfa Town	Located at Lvlng Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province	Jan/2008	Residential/Commercial	Completed	12,879	14,930	100%	14,930
Nanjing Mingfa Pearl Spring Resort	Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province	Dec/2008	Residential/Hotel	Completed	112,973	5,054	100%	5,054
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Nov/2009	Residential/Commercial	Completed	1,072,182	21,166	100%	21,166
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Dec/2010	Commercial/Office/Hotel	Completed	182,588	94,407	100%	94,407
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yangqiao Town, Huishan District, Wuxi, Jiangsu Province	Dec/2011	Residential/Commercial/ Hotel	Completed	216,643	348,539	100%	348,539
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Dec/2011	Residential/Commercial/ Office/Hotel	Completed	176,698	172,888	100%	172,888
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Dec/2011	Residential/Commercial/ Hotel	Completed	145,267	223,396	100%	223,396
Nanjing Mingfa City Square	Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province	Dec/2012	Residential/Commercial/ Office	Completed	128,683	62,672	100%	62,672
Honglai Mingfa Commercial Center	Located at Longlai District, Nanan, Fujian Province	Jun/2012	Residential/Commercial	Completed	27,065	10,852	100%	10,852

MANAGEMENT DISCUSSION AND ANALYSIS



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Approximate Leasable and Saleable		Group's Interest	Attributable GFA (sq.m.) (Note 4)
					Site Area (sq.m.) (Note 3)	GFA (sq.m.) (Note 4)		
Xiamen Mingfa Xiang Wan Peninsula	Located at east part of Xiang'an Road, Xiang'an, Fujian Province	Dec/2012	Residential/Commercial	Completed	104,380	9,902	100%	9,902
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, north of Shuixian Street, west of No. 6 Road, Xipu Road South, Zhangzhou, Fujian Province	Dec/2013	Residential/Commercial/Office/Hotel	Completed	223,589	234,645	100%	234,645
Xiamen Mingfa Harbor Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Dec/2013	Hotel	Completed	58,952	135,301	100%	135,301
Huai'an Mingfa Shopping Mall (Block C)	Located in Weihai East Road, Huai'an, Jiangsu Province	Dec/2014	Residential	Completed	51,345	813	100%	813
Nanjing Mingfa Pearl River International (G11)	Located at Jiangpu Street, east to Xianzhang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province	Sep/2017	Residential	Completed	8,586	6,665	100%	6,665
Nanjing Mingfa New City Finance Building	Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province	Dec/2017	Residential/Commercial	Completed	59,042	9,082	100%	9,082
Nanjing Mingfa Cloud Mansion	Located in along the mountain road south, Jiangpu Street, Nanjing, Jiangsu Province	Sep/2017	Residential	Completed	32,787	1,979	40%	791
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Sep/2017	Residential/Commercial	Completed	105,504	100,613	100%	100,613
Jinzhai Mingfa City Square (Block D)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Dec/2017	Residential/Commercial	Completed	62,885	29,982	100%	29,982
Wuxi Mingfa International New Town	Located south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Jun/2017	Residential/Commercial	Completed	258,297	42,165	100%	42,165
Jinzhai Mingfa City Square (Blocks E, F)	Located at New City, Meishan Town, Jinzhai County, Anhui Province	Jun/2018	Residential/Commercial	Completed	203,406	220,293	100%	220,293
Beijing Mingfa Mall	Located in Beizang Village, Daxing District, Beijing	Dec/2018	Residential/Commercial	Completed	45,414	107,523	100%	107,523
Xiamen Mingfeng Town	Located at Lingdou Siming District, Xiamen, Fujian Province	Jul/2018	Commercial	Completed	19,190	74,693	100%	74,693
Zhenjiang Mingfa Xinjin Yuancheng	Located at east of the new road, Danbei Town, Danyang City, Jiangsu Province	Jan/2018	Residential/Commercial	Completed	14,287	9,748	100%	9,748
Shenzhen Mingfa Guangming Xuan	Located at Tianliao Yulu Area, Guangming New District, Shenzhen, Guangdong Province	Dec/2018	Commercial	Completed	4,109	1,982	100%	1,982

MANAGEMENT DISCUSSION AND ANALYSIS

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 3)	Approximate Leasable and Saleable GFA (sq.m.) (Note 4)	Group's Interest	Attributable GFA (sq.m.) (Note 4)
Nanjing Mingfa Yuejingyuan G07	Located at Pukou south along the mountain road, east side of Nanjing University of Technology, Nanjing, Jiangsu Province	Oct/2018	Commercial	Completed	31,455	28,887	100%	28,887
Nanjing Mingfa Xiang Hill Garden	Located in along the mountain road to the south, Caiba Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	115,876	66,825	100%	66,825
Jinzhai Mingfa City Square (Block AC)	Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province	Dec/2019	Residential/Commercial	Completed	111,142	116,963	100%	116,963
Mingfa North Station New Town	Located in west side of Changjiang Road, Chahe Town, Lai'an County, Anhui Province	Jan/2020	Residential/Commercial	Completed	65,335	230	100%	230
Nanjing Rong Li	Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province	Dec/2019	Residential	Completed	132,937	55,175	51%	28,139
Taoyuan Guandi	Located in south side of Taochang Road, Hanshan County, Anhui Province	Dec/2020	Residential	Completed	43,868	1,096	100%	1,096
Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18 Phase 1)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Jul/2019	Residential/Commercial	Completed	78,622	219,969	100%	219,969
Wujiang Mingfa Jiangwan New City (Phase 1)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Jan/2019	Residential/Commercial	Completed	298,289	503,243	100%	503,243
Zhongao Town Buliding	Located at south of Xiang'an District, Xiamen, Fujian Province	Apr/2021	Commercial	Completed	11,870	41,273	51%	21,049
Mingfa North Station Villas	Located at Chahe Town, Lai'an, Anhui Province	Aug/2020	Residential	Completed	66,350	27,863	100%	27,863
Nanjing Mingfa Yueshan Yuefu	Located at Pukou Jiangpu Street angle at University Avenue and Flower Industry, Nanjing, Jiangsu Province	Apr/2022	Residential	Completed	72,280	4,067	100%	4,067
Taoyuan Mansion	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2022	Residential	Completed	18,099	28,027	100%	28,027
Taoyuan Xi'an	Located in Gushi Town, Dangtu County, Anhui Province	Dec/2022	Residential/Commercial	Completed	24,439	6,512	100%	6,512
Yangzhou Mingfa Jiangwan City	Located at east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province	Dec/2023	Residential	Completed	158,238	4,681	100%	4,681
Jinzhai Yueshan Yuefu (Blocks 40, 41)	Located at Jinzhai County, Meishan Town New Town, Hefei, Anhui Province	Dec/2023	Residential/Commercial	Completed	133,332	12,096	100%	12,096
Sihong Shuiyun Taoyuan Garden	Located in east of Radish Li Road, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Dec/2023	Residential/Commercial	Completed	84,200	35,690	100%	35,690

MANAGEMENT DISCUSSION AND ANALYSIS



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Approximate Leasable and Saleable		Group's Interest	Attributable GFA (sq.m.) (Note 4)
					Site Area (sq.m.) (Note 3)	GFA (sq.m.) (Note 4)		
Siyang Mingfa Shoufu	Located at Zhongxing Town Siyang, Suqian, Jiangsu Province	Dec/2023	Residential/Commercial	Completed	103,972	259,424	70%	181,597
Mingfa North Station Meiyuan	Located at Chahe Town, Lai'an, Anhui Province	Dec/2023	Residential/Commercial	Completed	64,377	53,626	100%	53,626
Mingbo Yue City	Located at Bowang Town, Bowang District, Ma'anshan, Anhui Province	Dec/2024	Residential/Commercial	Completed	67,600	7,382	100%	7,382
Fengyang Shuiyun Yaju	Located at the east side of Gongchen Temple Road and on the south side of Ruyi Road, Fengyang Town, Chuzhou, Anhui Province	Dec/2024	Residential/Commercial	Completed	65,484	54,953	100%	54,953
Yueli Commercial Center	Located at north of Nanjing University of Technology, south along the mountain road, Pukou, Nanjing, Jiangsu Province	Dec/2024	Commercial	Completed	32,843	50,921	100%	50,921
Jiangsu Mingfa Headquarters Base	Located in Taishan Park, High-tech Zone, Nanjing	Apr/2021	Industrial	Completed	142,702	19,711	100%	19,711
Jiangsu Mingfa Headquarters Base	Located in Yanjiang Street, High-tech Zone, Nanjing	Dec/2019	Industrial	Completed	141,646	7,344	100%	7,344
Sub-total					5,637,222	3,568,652		3,440,972
Properties under development (Note 2)								
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Dec/2026	Residential/Commercial/Hotel	Approximately 90% of construction has been completed	296,702	84,127	100%	84,127
Huai'an Mingfa Shopping Mall (Block A)	Located in Shenzhen South Road, Huai'an, Jiangsu Province	Dec/2026	Commercial	Approximately 90% of construction has been completed	133,110	152,288	100%	152,288
Shenyang Mingfa Jinxiu Hua City	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2026	Residential/Commercial	Approximately 90% of construction has been completed	61,222	97,588	100%	97,588
Taizhou Mingfa International Mall (Phase 1)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2026	Residential/Commercial	Approximately 85% of construction has been completed	292,487	140,647	100%	140,647
Taizhou Mingfa International Mall (Phase 2)	Located in Gaogang District, Taizhou, Jiangsu Province	Dec/2026	Residential/Industrial	Approximately 75% of construction has been completed	237,075	102,011	100%	102,011
Shanghai Mingfa Shopping Mall	Located in east of Hu Yi Highway, Baiyin Road of south, boundary of west, Gaotai Road North, Shanghai	Dec/2026	Commercial	Approximately 70% of construction has been completed	53,779	17,719	100%	17,719
Pingliang Mingfa European City	Located in west of Water Bridge, north of Linjing Road, Kongdong District, Pingliang, Gansu Province	Dec/2026	Residential	Approximately 85% of construction has been completed	117,594	8,577	60%	5,146

MANAGEMENT DISCUSSION AND ANALYSIS

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 3)	Approximate Leasable and Saleable GFA (sq.m.) (Note 4)	Group's Interest	Attributable GFA (sq.m.) (Note 4)
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Dec/2027	Residential/Commercial	Approximately 75% of construction has been completed	285,594	592,140	100%	592,140
Huizhou Mingfa Gaobang New City	Huizhou City West Train Station, Guangdong Province	Dec/2027	Residential	Approximately 80% of construction has been completed	332,335	579,919	80%	463,936
Tianjin Binhai Mingfa Shopping Mall	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Dec/2027	Commercial	Approximately 75% of construction has been completed	209,048	339,146	100%	339,146
Wujiang Mingfa Jiangwan New City (Phase 2)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2027	Residential/Commercial	Approximately 80% of construction has been completed	506,829	1,019,616	100%	1,019,616
Quanzhou Mingfa International Huachang City	Located at Neicuo Village, Guanjiao Town, Nanan, Fujian Province	Dec/2026	Residential/Commercial	Approximately 80% of construction has been completed	276,120	596,936	100%	596,936
Guang'an Mingfa Mall (Blocks GC2013-45)	Located in Bridge Group, Guan'an, Sichuan Province	Dec/2026	Residential/Commercial	Approximately 85% of construction has been completed	76,153	149,570	100%	149,570
Shandong Zibo World Trade Center	Located in People's road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province	Dec/2026	Residential/Commercial	Approximately 75% of construction has been completed	156,696	190,644	100%	190,644
Shenyang Creative Industrial Estate	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2026	Residential/Commercial	Approximately 80% of construction has been completed	154,024	89,424	100%	89,424
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2026	Residential	Approximately 75% of construction has been completed	63,127	14,162	100%	14,162
Mingfa MingBo Town	Located at Bowang Town Bowang District, Ma'anshan, Anhui Province	Dec/2026	Residential/Commercial	Approximately 75% of construction has been completed	101,504	38,579	100%	38,579
Taoyuan New Town	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2026	Residential	Approximately 80% of construction has been completed	109,452	102,502	100%	102,502
Taoyuan Mingzhu	Located in Shengzhouhu Road, Chizhou, Anhui Province	Dec/2026	Residential	Approximately 80% of construction has been completed	99,943	3,069	100%	3,069
Jinse Shui'an	Located in north side of Huaihe Road, Jinhu County, Huai'an, Jiangsu Province	Dec/2026	Residential/Commercial	Approximately 75% of construction has been completed	289,236	154,661	100%	154,661
Wujiang Mingfa Jiangwan New City (Phase 3)	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2027	Residential/Commercial	Approximately 65% of construction has been completed	615,764	1,092,426	100%	1,092,426
Nanjing International Business Center	Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province	Dec/2027	Commercial	Approximately 60% of construction has been completed	62,015	328,353	80%	262,682
Taoyuan Xiangsong	Located in North New District, Dongzhi County, Chizhou, Anhui Province	Dec/2026	Residential/Commercial	Approximately 70% of construction has been completed	36,590	20,288	100%	20,288

MANAGEMENT DISCUSSION AND ANALYSIS



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Approximate Leasable and Saleable		Group's Interest	Attributable GFA (sq.m.) (Note 4)
					Site Area (sq.m.) (Note 3)	GFA (sq.m.) (Note 4)		
Taoyuan Fudi	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2026	Residential	Approximately 70% of construction has been completed	66,262	61,777	51%	31,506
Taoyuan Guanlan	Located at Xianghe Town, Quanjiao, Anhui Province	Dec/2026	Residential	Approximately 65% of construction has been completed	55,481	58,847	51%	30,012
Guang'an Mingfa Wealth Center (ChaMa Road B1-1 Block)	Located in Binjiang Road, Guang'an District, Guan'an, Sichuan Province	Dec/2026	Residential/Commercial	Approximately 70% of construction has been completed	76,363	155,912	100%	155,912
Zhangpu Mingfa Xiangshan Wan	Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province	Dec/2026	Residential/Commercial	Approximately 60% of construction has been completed	46,885	85,493	90%	76,134
Wuhu Chungu Xi'an	Located in new city east of Chengdong, Fanchang County, Wuhu City, Anhui Province	Dec/2026	Residential	Approximately 75% of construction has been completed	64,607	976	100%	976
Mingfa Nanjing Cross-strait Science and Technology Base	Located in the channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province	Dec/2026	Industrial	Approximately 50% of construction has been completed	119,564	90,161	100%	90,161
Mingfa North Station Center	Located at Chahe Town, Lai'an, Anhui Province	Dec/2026	Residential/Commercial	Approximately 80% of construction has been completed	69,757	258,207	100%	258,207
Hecheng Shoufu	Located at Liyang Town, Ma'anshan, Anhui Province	Dec/2026	Residential	Approximately 80% of construction has been completed	26,918	6,028	100%	6,028
Mingfa Huguangshanse Yihao	Located at Xiangquan Town, Ma'anshan, Anhui Province	Dec/2027	Residential/Commercial	Approximately 55% of construction has been completed	132,362	146,406	100%	140,604
Nanjing Mingrong Garden	Located in Puzhu Road, Jiangpu Street, Pukou District, Nanjing, Jiangsu Province	Dec/2026	Commercial	Approximately 45% of construction has been completed	26,530	55,312	100%	55,312
Taohua Yuanzhu	Located at Xingyuan Road Zibo, Shandong Province	Dec/2026	Residential	Approximately 70% of construction has been completed	156,691	116,995	100%	116,995
Mingfa Internet Industrial Park	Located at Xingyuan Road Zibo, Shandong Province	Dec/2026	Commercial	Approximately 50% of construction has been completed	67,156	100,735	100%	100,735
Moli Anju	Located in east of Changxing Road and north of Yingshanjiang Avenue, Jinniu Lake New City, Tianchang, Anhui Province	Dec/2026	Residential/Commercial	Approximately 75% of construction has been completed	48,073	1,654	100%	1,654
Xingyue City	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2027	Residential/Commercial	Approximately 45% of construction has been completed	320,779	400,740	70%	280,518
Mingfa City Lights	Located in Jinzhai Modern Industrial Park, Anhui Province	Dec/2026	Residential/Commercial	Approximately 55% of construction has been completed	107,417	121,301	100%	121,301
Dingyuan Mingfa Shuiyun Taoyuan	Located at Kaoshan Road, Dingyuan Town, Chizhou, Anhui Province	Dec/2026	Residential	Approximately 55% of construction has been completed	69,333	4,627	100%	4,627

MANAGEMENT DISCUSSION AND ANALYSIS

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 3)	Approximate Leasable and Saleable GFA (sq.m.) (Note 4)	Group's Interest	Attributable GFA (sq.m.) (Note 4)
Shenyang Mingfa Square	Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province	Dec/2027	Residential/Commercial	Approximately 55% of construction has been completed	119,154	194,260	100%	194,260
Yangguang Qingcheng (Block 1)	Located at Rongcheng Town, Chizhou, Anhui Province	Dec/2026	Residential/Commercial	Approximately 50% of construction has been completed	112,183	34,296	100%	34,296
Dingyuan Mingfa Wealth Center	Located at south of Qi Ji Guang Avenue, Dingyuan Town, Chizhou, Anhui Province	Dec/2027	Commercial/Office	Approximately 50% of construction has been completed	24,439	146,636	100%	146,636
Mingfa Software Valley	Located in north of Beijing East Road, east of Qianjiang Road, Xinyi, Xuzhou, Jiangsu Province	Dec/2026	Commercial	Approximately 35% of construction has been completed	46,548	88,000	60%	52,800
Xinyi Mingfa Zhongyang Lake CBD	Located in Zhongshan Road, Xinyi High-Tech Zone, Xuzhou, Jiangsu Province	Dec/2027	Residential/Commercial	Approximately 35% of construction has been completed	76,473	126,344	100%	126,344
Hainan Mingfa Modern Service Industry Industrial Park	Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province	Dec/2026	Industrial	Approximately 30% of construction has been completed	57,600	57,600	100%	57,600
Peixian Mingfa Noble Place	Located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province	Dec/2026	Residential/Commercial	Approximately 30% of construction has been completed	37,676	74,595	100%	74,595
Mingfa Yan'an Zhi Xing	Located in Yan'an new area, Yan'an, Shanxi Province	Dec/2027	Residential/Commercial	Approximately 45% of construction has been completed	79,116	249,942	100%	249,942
Suining Shuiyun Taoyuan	Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province	Dec/2026	Residential/Commercial	Approximately 45% of construction has been completed	130,571	352,936	60%	47,244
QingYang Yangguang Qingcheng (Block 3)	Located at Qibuquan Road, Rongcheng Town, Chizhou, Anhui Province	Dec/2026	Residential/Commercial	Approximately 45% of construction has been completed	57,269	55,243	100%	55,243
Mingfa Yuhong Commercial and Residential Project	Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province	Dec/2027	Residential	Approximately 30% of construction has been completed	235,526	398,955	100%	398,955
new project in Ma'anshan MingPu	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2026	Industrial	Approximately 30% of construction has been completed	31,258	46,888	100%	46,888
new project in Ma'anshan MingLin	Located at Wujiang Town Four Lian, Hexian, Anhui Province	Dec/2027	Residential/Commercial/Industrial	Approximately 30% of construction has been completed	106,963	162,975	100%	162,975
Longhai Mingfa Square (Zhangzhou Longhai Mingfa Mall (2011G16, 2012G13, 2012G14 Phase Three))	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Dec/2027	Residential	Approximately 40% of construction has been completed	105,188	237,392	100%	237,392

MANAGEMENT DISCUSSION AND ANALYSIS



Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Approximate Leasable and Saleable		Group's Interest	Attributable GFA (sq.m.) (Note 4)
					Site Area (sq.m.) (Note 3)	GFA (sq.m.) (Note 4)		
Fengxian International Hotel	Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province	Dec/2027	Residential/Commercial	Approximately 45% of construction has been completed	22,316	55,791	70%	39,054
QingYang Yangguang Qingcheng (Block 4)	Located at Tianzhu Road, Rongcheng Town, Chizhou, Anhui Province	Dec/2026	Residential/Commercial	Approximately 40% of construction has been completed	37,552	20,309	100%	20,309
Liu'an Yeji Minghui City	Located in west of Zhanqian Road, south of Weiming Road, east of Changqing Road and north of Shihe Road, Yeji District, Liu'an, Anhui Province	Dec/2027	Residential/Commercial	Approximately 40% of construction has been completed	116,734	102,620	100%	102,620
Fengyang Taoyuan Yashe	Located at the west side of Gongchengmiao Road and on the north side of Fengle West Road, Fengyang Town, Chuzhou, Anhui Province	Dec/2026	Commercial	Approximately 20% of construction has been completed	34,338	52,572	100%	52,572
Maanshan Mingbo Tianyue Fu	Located at the southwest corner of the intersection of Yuhe Road and Taihang Road in Bowang Town, Bowang District, Ma'anshan	Dec/2026	Residential	Approximately 20% of construction has been completed	32,569	38,078	90%	35,842
Nan'an Guozhong Huayuan	Located in Furong New City Community, Meishan Town, Nan'an City	Apr/2027	Residential/Commercial	Approximately 20% of construction has been completed	55,654	126,535	100%	126,535
Maanshan Mingbo Junyue Fu	Located at the southwest corner of the intersection of Yuhe Road and Hangyang Road in Bowang Town, Bowang District, Ma'anshan	Dec/2026	Residential	Approximately 20% of construction has been completed	30,765	52,301	90%	47,071
new project in Hainan Danzhou	Located in Plot 54 Nada Konggui · Danzhou City, Hainan Province	Sep/2027	Residential	Approximately 20% of construction has been completed	66,541	119,774	60%	71,864
new project in Suzhou Wenjin Yuan	Located in Southeast corner of Huaihe Road and Xichang Road in Yongqiao District, Suzhou City	Sep/2027	Residential	Approximately 20% of construction has been completed	29,098	151,309	100%	151,309
new project in Chuzhou Mingrong Guanhu Yaju	Located to the northeast of the intersection of Xijian Road and Huanhu Road in Langya District, Chuzhou City, Anhui Province	Dec/2027	Residential	Approximately 20% of construction has been completed	30,923	43,292	100%	43,292
Jiangsu Mingfa Headquarters Base	Located in Taishan Park, High-tech Zone, Nanjing	Dec/2027	Industrial	Approximately 20% of construction has been completed	141,646	686,590	100%	686,590
Jiangsu Mingfa Headquarters Base	Located in Taishan Park, High-tech Zone, Nanjing	Dec/2027	Industrial	Approximately 20% of construction has been completed	89,583	438,660	100%	438,660
Sub-total					7,928,260	11,693,456		10,900,877

MANAGEMENT DISCUSSION AND ANALYSIS

Property	Location	Actual/ Estimated Completion Date	Type of Property	Status	Site Area (sq.m.) (Note 3)	Approximate Leasable and Saleable GFA (sq.m.) (Note 4)	Group's Interest	Attributable GFA (sq.m.) (Note 4)
Properties with land use rights certificate for future development								
Lanzhou Mingfa Zhongke Ecological Park	Located in southwest of Weijia Village, Gansu Province	Dec/2027	Residential	Vacant	1,371,786	1,371,786	51%	699,611
Shenyang Mingfa Wealth Center	Located at Qing Nian Street, Heping District, Shenyang, Liaoning Province	Dec/2027	Commercial	Vacant	5,468	54,677	100%	54,677
Jurong Zidong Square	Located at the east side of Ninghang North Road and the west side of Chigang Road, Jurong, Jiangsu Province	Dec/2027	Residential/Commercial	Vacant	53,892	296,406	100%	296,406
Mingfa Huguangshan Erhao	Located at Xiangquan Town Ma'anshan, Anhui Province	Dec/2027	Residential	Vacant	108,972	108,972	100%	108,972
new project in Jurong 2017-2-1-08	Located in Huanhu Road, Jurong, Jiangsu Province	Dec/2027	Commercial	Vacant	9,265	13,989	100%	13,989
QingYang Yangguang Qingcheng (Block 2)	Located at Qi Bu Quan Road, Rongcheng Town, Chizhou, Anhui Province	Dec/2027	Residential/Commercial	Vacant	52,388	136,207	100%	136,207
Jiangsu Mingfa Headquarters Base - Science and Technology Business City	Located in Taishan Park, High-tech Zone, Nanjing	Dec/2028	Industrial	Vacant	146,192	678,268	100%	678,268
Jiangsu Mingfa Headquarters Base Innovation Center	Located in Nanjing High-tech Development Zone	Dec/2028	Industrial	Vacant	41,570	190,691	100%	190,691
Sub-total					1,789,532	2,850,996		2,178,820
Properties with signed land use rights contract for future development								
new project in Mingfa North Station Tianyu	Located at Chahe Town, Lai'an, Anhui Province	Dec/2027	Residential/Commercial	Vacant	108,395	113,815	100%	113,815
new project in Lanzhou	Located in the southern part of Shidong Town, Gaolan County, Lanzhou City, Gansu Province	Dec/2029	Residential	Vacant	110,000	186,545	51%	95,138
new project in Siyang Mingyue City	Located on the north side of Sishui Avenue and the west side of Xihu Road + Sihong County, Suqian, Jiangsu Province	Jul/2027	Residential/Commercial	Vacant	69,313	138,626	100%	138,626
Sub-total					287,708	438,986		347,579
					15,642,723	18,552,090		16,868,248

Notes:

- Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 31 December 2025.
- Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 31 December 2025.
- The site area is in respect of the whole property (regardless of GFA that have been sold).
- The approximate leasable and saleable GFA and attributable GFA have excluded the GFA that have been sold/leased.



SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

The following table summarizes the details of the Group's major properties held for investment as at 31 December 2025:

Property	Location	Existing usage	Attributable GFA	Term of leases	Percentage of interest in the Properties Attributable to the Group
Beijing Mingfa Mall	Located at Bizang Village, Daxing District, Beijing	Residential/ Commercial	61,565	2–10 years	100%
Changsha Mingfa Shopping Mall	Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province	Commercial	131,561	20 years	100%
Hefei Mingfa Shopping Mall	Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province	Commercial	169,299	1–20 years	100%
Jinzhai Mingfa City Square (Block G)	Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province	Commercial	54,579	2–15 years	100%
Nanjing Mingdao School	Located at Yayuan Road, Jiangbei New District, Nanjing, Jiangsu Province	Commercial	59,353	6 years	100%
Nanjing Mingfa Cross-strait Science and Technology Base	Located in the channel of science and technology industrial park, Jiangsu Province	Commercial	5,491	1 year	100%
Nanjing Mingfa New City Finance Buliding	Located in New Town Business Avenue North, Pukou District, Nanjing, Jinansu Province	Commercial	1,454	3–5 years	100%
Nanjing Mingfa Riverside New Town	Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province	Commercial	76,004	3–9 years	100%
Nanjing Mingfa Shopping Mall	Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province	Commercial	135,436	10–15 years	100%
Nanjing Mingfa Yuejingyuan	Located at Pukou south along the mountain road, east side Nanjing University of Technology, Jiangsu Province	Commercial	2,627	1–8 years	100%
Pingliang Mingfa European City	Located in Water Bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province	Commercial	5,021	1 –3 years	60%
Quanzhou Mingfa Hotel	Located in Licheng District, Jiangnan Torch Village, Quanzhou, Fujian Province	Hotel	4,755	5 years	100%
Sihong Shuiyun Taoyuan Garden	Located in Radish Li Road East, North of Sizhou Street, Sihong County, Suqian, Jiangsu Province	Commercial	5,081	3–10 years	100%
Taizhou Mingfa International Mall	Located in Gaogang District, Taizhou, Jiangsu Province	Commercial	17,064	10 years	100%
Tianjin Mingfa City Complex	Located in Tanggu Marine Hi-Tech Development Zone, Tianjin	Commercial	62,631	Under construction	100%
Wuxi Mingfa Shopping Mall	Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province	Commercial	253,635	20 years	100%

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Property	Location	Existing usage	Attributable GFA	Term of leases	Percentage of interest in the Properties Attributable to the Group
Xiamen Lianfeng Furniture Park	Located on Honglian Road, Siming District, Xiamen, Fujian Province	Industrial	26,120	20 years	100%
Xiamen Mingfa Group Mansion	Located at Qianpu Industrial Park, Xiamen, Fujian Province	Commercial	39,531	5–6 years	100%
Xiamen Mingfa Harbour Resort	Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province	Commercial	45,419	3 years	100%
Xiamen Mingfa Hotel	Located at No. 413 Lianqian East Road, Xiamen, Fujian Province	Hotel	12,441	10 years	100%
Xiamen Mingfa Industrial Park	Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province	Industrial	11,588	8–15 years	100%
Xiamen Mingfa Shopping Mall	Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province	Commercial	38,121	2–15 years	100%
Xiamen Mingfa Technology Park	Located in Kaiyuan Xing'an Industrial Park, Tong'an District, Xiamen, Fujian Province	Industrial	62,131	15 years	100%
Yangzhou Mingfa Shopping Mall	Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province	Commercial	61,867	15 years	100%
Zhangzhou Longhai Mingfa Mall	Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province	Commercial	2,831	10 years	100%
Zhangzhou Mingfa Shopping Mall	Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xipu Road South, Zhangzhou, Fujian Province	Commercial	112,416	12–19 years	100%
Zhenjiang Jinxiu Yinshan	Located in the centre of Zhenjiang City, Jiangsu Province	Commercial	2,880	15.5 years	100%
Mingbo Yue City	Located at Bowang Town, Bowang District, Ma'anshan, Anhui Province	Commercial	2,731	15 years	100%
Total			1,463,632		



Properties to be Completed in 2026

Set out below are the properties expected to be completed by the Group in 2026.

Property	Expected completion date	Type of property	GFA to be completed	Percentage of interest in the property attributable to the Group
Dingyuan Mingfa Shuiyun Taoyuan	Dec/2026	Residential	2,082.3	100%
Fengyang Taoyuan Yashe	Dec/2026	Commercial	42,057.4	100%
Guang'an Mingfa Wealth Center (ChaMa Road B1-1 Block)	Dec/2026	Residential/ Commercial	46,773.5	100%
Guang'an Mingfa Mall (Blocks GC2013-45)	Dec/2026	Residential/ Commercial	22,435.4	100%
Hainan Mingfa Modern Service Industry Industrial Park	Dec/2026	Industrial	40,320.0	100%
Hecheng Shoufu	Dec/2026	Residential	1,205.5	100%
Huai'an Mingfa Shopping Mall (Block A)	Dec/2026	Commercial	15,228.8	100%
Jinse Shui'an	Dec/2026	Residential/ Commercial	38,665.3	100%
Maanshan Mingbo Junyue Fu	Dec/2026	Residential	37,656.8	90%
Maanshan Mingbo Tianyue Fu	Dec/2026	Residential	28,673.6	90%
Mingfa Nanjing Cross-strait Science and Technology Base	Dec/2026	Industrial	45,080.5	100%
Mingfa City Lights	Dec/2026	Residential/ Commercial	54,585.4	100%
Mingfa Internet Industrial Park	Dec/2026	Commercial	50,367.3	100%
Mingfa MingBo Town	Dec/2026	Residential/ Commercial	9,644.7	100%
Mingfa North Station Center	Dec/2026	Residential/ Commercial	51,641.4	100%
Mingfa Software Valley	Dec/2026	Commercial	34,320.0	60%
Moli Anju	Dec/2026	Residential/ Commercial	413.5	100%
Nanjing Mingrong Garden	Dec/2026	Commercial	30,421.7	60%
New project in Ma'anshan MingPu	Dec/2026	Industrial	32,821.6	100%
Peixian Mingfa Noble Place	Dec/2026	Residential/ Commercial	52,216.4	100%
Pingliang Mingfa European City	Dec/2026	Residential	771.9	60%
QingYang Yangguang Qingcheng (Block 3)	Dec/2026	Residential/ Commercial	30,383.7	100%
QingYang Yangguang Qingcheng (Block 4)	Dec/2026	Residential/ Commercial	12,185.6	100%
Shandong Zibo World Trade Center	Dec/2026	Residential/ Commercial	47,661.0	100%

MANAGEMENT DISCUSSION AND ANALYSIS

Property	Expected completion date	Type of property	GFA to be completed	Percentage of interest in the property attributable to the Group
Shanghai Mingfa Shopping Mall	Dec/2026	Commercial	5,315.8	100%
Shenyang Creative Industrial Estate	Dec/2026	Residential/ Commercial	17,884.8	100%
Shenyang Mingfa Jinxiu Hua City	Dec/2026	Residential/ Commercial	9,758.8	100%
Suining Shuiyun Taoyuan	Dec/2026	Residential/ Commercial	25,984.1	60%
Taizhou Mingfa International Mall (Phase 1)	Dec/2026	Residential/ Commercial	21,097.0	100%
Taizhou Mingfa International Mall (Phase 2)	Dec/2026	Residential/ Commercial	25,502.8	100%
Taohua Yuanzhu	Dec/2026	Residential	35,098.6	100%
Taoyuan Fudi	Dec/2026	Residential	9,451.9	51%
Taoyuan Guanlan	Dec/2026	Residential	10,504.2	51%
Taoyuan Mingzhu	Dec/2026	Residential	613.8	100%
Taoyuan New Town	Dec/2026	Residential	20,500.4	100%
Taoyuan Xiangsong	Dec/2026	Residential/ Commercial	6,086.4	100%
Wuhu Chungu Xi'an	Dec/2026	Residential	244.0	100%
Yangguang Qingcheng (Block 1)	Dec/2026	Residential/ Commercial	17,148.0	100%
Zhangpu Mingfa Xiangshan Wan	Dec/2026	Residential/ Commercial	30,453.7	90%
Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2)	Dec/2026	Residential	3,540.5	100%
Zhenjiang Jinxiu Yinshan	Dec/2026	Residential/ Commercial/Hotel	8,412.7	100%
			975,210.8	



PROGRESS OF DEVELOPMENT ON MAJOR PROJECTS

The progress and current status of the development of the Group's major projects in various sites and locations are as follows:

Zhenjiang Jinxiu Yinshan

Zhenjiang Jinxiu Yinshan is located in the centre of Zhenjiang City, Jiangsu Province, near the New Administration Centre of Zhenjiang and adjacent to the local government's new administrative centre.

Zhenjiang Jinxiu Yinshan is designed to be an integrated residential, commercial and hotel complex comprising residential buildings, townhouse units, hotels and other ancillary facilities, complemented with retail shops, restaurants and themed pedestrian-only walkways. This project is adjacent to Yinshan Park, local sports facilities, commercial streets and other large residential districts nearby. Total GFA of this project is approximately 404,678 sq.m.

As at 31 December 2025, approximately 90% of construction had been completed.

As at 31 December 2025, an aggregate GFA of 5,862 sq.m. had been pre-sold but not yet delivered and such pre-sold unit will be delivered to the buyers upon completion in December 2026.

Huai'an Mingfa Shopping Mall (Block A)

Huai'an Mingfa Shopping Mall is located on Shenzhen South Road, Huai'an, Jiangsu Province.

Huai'an Mingfa Shopping Mall is designed to be a commercial complex and will form an integral part of the Group's shopping mall.

The site area of the project is approximately 133,110 sq.m., with an aggregate GFA of approximately 266,335 sq.m. As at 31 December 2025, approximately 90% of construction had been completed.

Shenyang Mingfa Jinxiuhua City

Shenyang Mingfa Jinxiuhua City is located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province. Shenyang Mingfa Jinxiuhua City is designed as an integrated residential complex complemented with commercial properties.

The site area of the project is approximately 61,222 sq.m., with an aggregate GFA of approximately 306,110 sq.m.

As at 31 December 2025, approximately 90% of construction had been completed.

As at 31 December 2025, an aggregate GFA of 52,642 sq.m. had been pre-sold but not yet delivered and such pre-sold units will be delivered to the buyers upon completion in December 2026.

Taizhou Mingfa City Complex (Phase 1 and 2)

Taizhou Mingfa City Complex is located at west of Machang Zhonggou and south of Huangang Avenue, Gaogang district, Taizhou, Jiangsu Province.

Taizhou Mingfa City Complex is designed as an integrated residential and commercial properties complex. The site area of the project is approximately 529,562 sq.m. with an aggregate attributable GFA of approximately 1,053,450 sq.m.

As at 31 December 2025, approximately 85% and 75% of construction had been completed in Phase 1 and 2 respectively. The project is expected to be completed in December 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Shanghai Mingfa Shopping Mall

Shanghai Mingfa Shopping Mall is located at east of Hu Yi Highway, south of Baiyin Road, west boundary of Gaotai North Road, Shanghai.

This project is designed as integrated commercial complex.

The site area of the project is approximately 53,779 sq.m., with an aggregate GFA of approximately 169,305 sq.m.

As at 31 December 2025, approximately 70% construction had been completed. The project is expected to be completed in December 2026.

Pingliang Mingfa European City

Pingliang Mingfa European City is located at the west of Water bridge, north of Linjing Road, Kongdong district, Pingliang, Gansu Province.

This project is designed as integrated residential complex.

The site area of the project is approximately 117,594 sq.m. with an aggregate GFA of approximately 268,259 sq.m.

As at 31 December 2025, approximately 85% construction had been completed. The project is expected to be completed in December 2026.

Changsha Mingfa Shopping Mall

Changsha Mingfa Shopping Mall is located in Star Cheng town, Wangcheng county, Changsha, Hunan Province. This project is designed as integrated residential and commercial complex.

The site area of the project is approximately 285,594 sq.m. with an aggregate GFA of approximately 928,837 sq.m.

As at 31 December 2025, approximately 75% construction had been completed. As at 31 December 2025, an aggregate GFA of 56,951 sq.m. had been pre-sold and such pre-sold units will be delivered to the buyers upon completion in December 2028.

Huizhou Mingfa Gaobang New City

Huizhou Mingfa Gaobang New City is located in at Huizhou City West Train Station, Huizhou, Guangdong Province. This project is designed as integrated residential complex.

The site area of the project is approximately 332,335 sq.m. with an aggregate GFA of approximately 708,157 sq.m.

As at 31 December 2025, approximately 80% construction had been completed and expected to be completed in December 2027.

Tianjin Binhai Mingfa Shopping Mall

Tianjin Binhai Mingfa Shopping Mall is located at Tanggu Marine Hi-Tech Development Zone, Tianjin. This project is designed as integrated commercial complex.

The site area of the project is approximately 209,048 sq.m. with an aggregate GFA of approximately 418,096 sq.m.

As at 31 December 2025, approximately 75% construction had been completed and expect to be completed in December 2027.



Wujiang Mingfa Jiangwan New City (Phase 2 and 3)

Wujiang Mingfa Jiangwan New City is located at Wujiang Town Four Lian, Hexian, Anhui Province. This project is designed as integrated residential and commercial complex.

The site area of the project is approximately 1,122,593 sq.m. with an aggregate GFA of approximately 3,060,924 sq.m. Phase 2 and 3 is expected to be completed in December 2027.

As at 31 December 2025, approximately 80% and 65% construction had been completed for phase 2 and 3 respectively.

As at 31 December 2025, an aggregate of 39,981 sq.m. had been pre-sold but not yet delivered and such pre-sold unit will be delivered to the buyers upon completion in December 2027.

Quanzhou Mingfa International Huachang City

Quanzhou Mingfa International Huachang City is located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province. This project is designed as integrated residential complex.

The site area of the project is approximately 276,120 sq.m. with an aggregate GFA of approximately 787,220 sq.m.

Approximately 80% of construction had been completed and the project is expected to be completed in December 2026.

As at 31 December 2025, an aggregate of 28,979 sq.m. had been pre-sold but not yet delivered and such pre-sold unit will be delivered to the buyers upon completion in December 2026.

Guang'an Mingfa Mall

Guang'an Mingfa Mall is located at Bridge Group, Guang'an, Sichuan Province. This project is designed as integrated residential and commercial complex.

The site area of the project is approximately 76,153 sq.m. with an aggregate GFA of approximately 382,692 sq.m.

As at 31 December 2025, approximately 85% construction had been completed and expected to be completed in December 2026.

Shandong Zibo World Trade Center

Shandong Zibo World Trade Center is located at People's Road to the north, Shanghai Road to the East, Zhangdian District, Zibo, Shandong Province. This project is designed as integrated residential and commercial complex.

The site area of the project is approximately 147,371 sq.m. with an aggregate GFA of approximately 618,958 sq.m.

As at 31 December 2025, approximately 75% construction had been completed and expected to be completed in December 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Shenyang Creative Industrial Estate

Shenyang Creative Industrial Estate is located at Shenbei Xinqu Daoyi Development Zone, Liaoning Province. This project is designed as integrated residential and commercial complex.

The site area of the project is approximately 154,024 sq.m. with an aggregate GFA of approximately 462,072 sq.m.

As at 31 December 2025, approximately 80% construction had been completed and the project is expected to be completed in December 2026.

Zhangzhou Longhai Mingfa Mall (Phase 2)

Zhangzhou Longhai Mingfa Mall is located in Kekeng village, Bangshan town, Longhai, Zhangzhou, Fujian Province.

Zhangzhou Longhai Mingfa Mall is designed as an integrated residential and commercial properties complex. The site area of the project is approximately 63,127 sq.m. with an aggregate attributable GFA of approximately 189,381 sq.m.

Approximately 75% construction had been completed and the project is expected to be completed in December 2026.

Mingfa Mingbo Town

Mingfa Mingbo Town is located at Bowang Town, Bowang District, Maanshan, Anhui Province. This project is designed as integrated residential and commercial complex.

The site area of the project is approximately 101,504 sq.m. with an aggregate GFA of approximately 171,950 sq.m.

As at 31 December 2025, approximately 75% construction had been completed and the project is expected to be completed in December 2026.

Taoyuan New Town

Taoyuan New Town is located at Xianghe Town, Quanjiao, Anhui Province. This project is designed as residential complex.

The site area of the project is approximately 109,452 sq.m. with an aggregate GFA of approximately 240,794 sq.m.

As at 31 December 2025, approximately 75% construction had been completed and the project is expected to be completed in December 2026.

Taoyuan Mingzhu

Taoyuan Mingzhu is located at Shengjinhu Road, Chizhou, Anhui Province. The project is designed as residential complex.

The site area of the project is approximately 99,943 sq.m. with an aggregate GFA of approximately 159,909 sq.m.

As at 31 December 2025, approximately 80% construction had been completed and the project is expected to be completed in December 2026.



Mingfa Jinse Shuian

Mingfa Jinse Shuian is located at North side of Huaihe Road, Jinhu County, Huai'an, Jiangsu Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 289,236 sq.m. with an aggregate GFA of approximately 336,769 sq.m.

As at 31 December 2025, approximately 75% construction had been completed and the project is expected to be completed in December 2026.

Nanjing International Business Center

The project is located at Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province. The project is designed as commercial complex.

The site area of the project is approximately 62,105 sq.m. with an aggregate GFA of approximately 446,246 sq.m.

As at 31 December 2025, approximately 60% construction had been completed and an aggregate GFA of 6,418 sq.m. had been pre-sold but not yet delivered. Such pre-sold properties will be delivered to the buyers upon completion in December 2027.

Taoyuan Xiangsong

Taoyuan Xiangsong is located at North New District, Dongzhi County, Chizhou, Anhui Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 36,590 sq.m. with an aggregate GFA of approximately 62,202 sq.m.

As at 31 December 2025, approximately 70% construction had been completed and the project is expected to be completed in December 2026.

Taoyuan Fudi

Taoyuan Fudi is located at Xianghe Town, Quanjiao, Anhui Province. The project is designed as residential complex.

The site area of the project is approximately 66,262 sq.m. with an aggregate GFA of approximately 132,524 sq.m.

Approximately 70% construction had been completed and the project is expected to be completed in December 2026.

Taoyuan Guanlan

Taoyuan Guanlan is located at Xianghe Town, Quanjiao, Anhui Province. The project is designed as residential complex.

The site area of the project is approximately 55,481 sq.m. with an aggregate GFA of approximately 83,222 sq.m.

Approximately 65% construction had been completed and the project is expected to be completed in December 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Guang'an Mingfa Wealth Centre (ChaMa Road B1-1 Block)

The project is located at west side of Binjiang Road, Guang'an District, Guang'an, Sichuan Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 76,363 sq.m. with an aggregate GFA of approximately 305,452 sq.m.

As at 31 December 2025, approximately 70% construction had been completed and the project is expected to be completed in December 2026.

Zhangpu Mingfa Xiangshan Wan

The project is located at Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 46,885 sq.m. with an aggregate GFA of approximately 204,457 sq.m.

Approximately 60% construction had been completed and the project is expected to be completed in December 2026.

Wuhu Chungu Xi'an

The project is located at New City east of Chengdong, Fanchang County, Wuhu City, Anhui Province. The project is designed as residential complex.

The site area of the project is approximately 64,607 sq.m. with an aggregate GFA of approximately 129,214 sq.m.

As at 31 December 2025, approximately 75% construction had been completed and the project is expected to be completed in December 2026.

Mingfa Nanjing Cross-strait Science and Technology Base

The project is located at the Channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province. The project is designed as industrial complex.

The site area of the project is approximately 119,564 sq.m. with an aggregate GFA of approximately 95,652 sq.m.

Approximately 50% construction had been completed. An aggregate GFA of 9,608 sq.m. had been pre-sold and will be delivered to the buyers upon completion in December 2026.

Mingfa North Station Centre

The project is located at Chahe Town, Lai'an, Anhui Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 69,757 sq.m. with an aggregate GFA of approximately 132,699 sq.m.

As at 31 December 2025, approximately 80% construction had been completed and the project is expected to be completed in December 2026.



Hecheng Shoufu

The project is located at Liyang Town, Maanshan, Anhui Province. The project is designed as residential complex.

The site area of the project is approximately 26,918 sq.m. with an aggregate GFA of approximately 53,835 sq.m.

As at 31 December 2025, approximately 80% construction had been completed and the project is expected to be completed in December 2026.

Mingfa Huguangshanse Yihao

The project is located at Xiangquan Town, Maanshan, Anhui Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 132,362 sq.m. with an aggregate GFA of approximately 158,835 sq.m.

As at 31 December 2025, approximately 55% construction had been completed and the project is expected to be completed in December 2027.

Nanjing Mingrong Garden

The project is located at Puzhu Road, Jiangpu Street, Pukou District, Nanjing, Jiangsu Province. The project is designed as commercial complex.

The site area of the project is approximately 26,530 sq.m. with an aggregate GFA of approximately 66,325 sq.m.

Approximately 45% construction had been completed and the project is expected to be completed in December 2026.

Taohua Yuanzhu

The project is located at Xingyuan Road, Zibo, Shandong Province. The project is designed as residential complex.

The site area of the project is approximately 75,474 sq.m. with an aggregate GFA of approximately 135,853 sq.m.

As at 31 December 2025, approximately 70% construction had been completed and the project is expected to be completed in December 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Mingfa Internet Industrial Park

The project is located at Xingyuan Road, Zibo, Shandong Province. The project is designed as commercial complex.

The site area of the project is approximately 67,156 sq.m. with an aggregate GFA of approximately 100,735 sq.m.

Approximately 50% construction had been completed. An aggregate GFA of 13,430 sq.m. had been pre-sold and will be delivered to the buyers upon completion in December 2026.

Moli Anju

The project is located at East of Changxing Road, Jinniu Lake New City, Tianchang, Anhui Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 48,073 sq.m. with an aggregate GFA of approximately 96,145 sq.m.

Approximately 75% construction had been completed and the project is expected to be completed in December 2026.

Xingyue City

The project is located at West Ring Road East, Zhangyang Avenue North, West City Road West, Fengxian, Xuzhou, Jiangsu Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 102,069 sq.m. with an aggregate GFA of approximately 255,172 sq.m.

As at 31 December 2025, approximately 45% construction had been completed. The project is expected to be completed in December 2027.

Mingfa City Lights

The project is located at Jinzhai Modern Industrial Park, Jinzhai, Anhui Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 107,417 sq.m. with an aggregate GFA of approximately 271,513 sq.m.

As at 31 December 2025, approximately 55% construction had been completed and the project is expected to be completed in December 2026.

Dingyuan Mingfa Shuiyun Taoyuan

The project is located at Kaoshan Road, Dingyuan Town, Chizhou, Anhui Province. The project is designed as residential complex.

The site area of the project is approximately 69,333 sq.m. with an aggregate GFA of approximately 138,666 sq.m.

As at 31 December 2025, approximately 55% construction had been completed and the project is expected to be completed in December 2026.



Shenyang Mingfa Square

The project is located at Shenbei Xinqu Daoyi Development Zone, Liaoning Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 119,154 sq.m. with an aggregate GFA of approximately 223,510 sq.m.

As at 31 December 2025, approximately 55% construction had been completed and the project is expected to be completed in December 2027.

Yangguang Qingcheng

The project is located at Rongcheng Town, Chizhou, Anhui Province. The project is designed as residential and commercial complex.

The site area of the project is approximately 112,183 sq.m. with an aggregate GFA of approximately 151,600 sq.m.

As at 31 December 2025, approximately 50% construction had been completed and the project is expected to be completed in December 2026.

Dingyuan Mingfa Wealth Centre

Dingyuan Mingfa Wealth Centre is located at south of Qiliguang Avenue, Dingyuan Town, Chizhou, Anhui Province. It is designed as an integrated commercial complex.

The site area of the project is approximately 24,439 sq.m., with an aggregate GFA of approximately 146,636 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2026.

Mingfa Software Valley

Mingfa Software Valley is located in north of Beijing East Road, east of Qianjiang Road, Xinyi, Xuzhou, Jiangsu Province. It is designed as an integrated commercial complex.

The site area of the project is approximately 46,548 sq.m., with an aggregate GFA of approximately 88,000 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2026.

Xinyi Mingfa Zhongyang Lake CBD

Xinyi Mingfa Zhongyang Lake CBD is located in north of Zhongshan Road, Xinyi High Tech Zone, Xuzhou, Jiangsu Province. It is designed as an integrated residential and commercial complex.

The site area of the project is approximately 76,473 sq.m., with an aggregate GFA of approximately 202,653 sq.m.

As at 31 December 2025, approximately 35% of construction had been completed. The project is expected to be completed in December 2027.

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Hainan Mingfa Modern Service Industrial Park

Hainan Mingfa Modern Service Industrial Park is located at Haikou Comprehensive Bonded Area, Haikou, Hainan Province. It is designed as an integrated industrial complex.

The site area of the project is approximately 57,600 sq.m., with an aggregate GFA of approximately 57,600 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2026.

Peixian Mingfa Noble Place

Peixian Mingfa Noble Place is located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province. It is designed as an integrated residential complex.

The site area of the project is approximately 37,676 sq.m., with an aggregate GFA of approximately 75,352 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2026.

Mingfa Yan'an Zhi Xing

Mingfa Yan'an Zhi Xing is located in Yan'an New Area, Yan'an, Shaanxi Province. It is designed as an integrated residential and commercial complex.

The site area of the project is approximately 79,116 sq.m., with an aggregate GFA of approximately 379,575 sq.m.

As at 31 December 2025, approximately 30% of construction. The project is expected to be completed in December 2027.

Suining Shuiyun Taoyuan

Suining Shuiyun Taoyuan is located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province. It is designed as an integrated residential and commercial complex.

The site area of the project is approximately 130,571 sq.m., with an aggregate GFA of approximately 352,936 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2026.



Qingyang Yangguang Qingcheng (Block 3)

Qingyang Yangguang Qingcheng is located at Qibuquan Road, Rongcheng Town Chizhou, Anhui Province. It is designed as an integrated residential complex.

The site area of the project is approximately 57,269 sq.m., with an aggregate GFA of approximately 105,947 sq.m.

As at 31 December 2025, approximately 45% of construction had been completed and an aggregate GFA of 6,956 sq.m. had been pre-sold but not yet delivered. Such pre-sold properties will be delivered to the buyers upon completion in December 2026.

Mingfa Yuhong Commercial and Residential Project

Mingfa Yuhong Commercial and Residential Project is located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province. It is designed as an residential complex.

The site area of the project is approximately 235,526 sq.m., with an aggregate GFA of approximately 423,948 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2027.

New project in Maanshan Mingpu

New project in Maanshan Mingpu is located at Wujiang Town Four Lian Hexian, Anhui Province. It is designed as an industrial complex.

The site area of the project is approximately 31,258 sq.m., with an aggregate GFA of approximately 46,888 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2026.

New project in Maanshan Minglin

New project in Maanshan Minglin is located at Wujiang Town Four Lian Hexian, Anhui Province. It is designed as an industrial complex.

The site area of the project is approximately 106,963 sq.m., with an aggregate GFA of approximately 162,975 sq.m.

As at 31 December 2025, approximately 30% of construction had been completed. The project is expected to be completed in December 2027.

Longhai Mingfa Square

Longhai Mingfa Square is located at Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province. It is designed as an integrated residential complex.

The site area of the project is approximately 105,188 sq.m., with an aggregate GFA of approximately 315,564 sq.m.

As at 31 December 2025, approximately 40% of construction had been completed. The project is expected to be completed in December 2027.

MANAGEMENT DISCUSSION AND ANALYSIS

Fengxian International Hotel

Fengxian International Hotel is located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province. It is designed as an integrated residential complex.

The site area of the project is approximately 22,316 sq.m., with an aggregate GFA of approximately 55,791 sq.m.

As at 31 December 2025, approximately 45% of construction had been completed. The project is expected to be completed in December 2027.

Qingyang Yangguang Qingcheng (Block 4)

Qingyang Yangguang Qingcheng is located at Qibuquan Road, Rongcheng Town Chizhou, Anhui Province. It is designed as an integrated residential complex.

The site area of the project is approximately 37,552 sq.m., with an aggregate GFA of approximately 75,104 sq.m.

As at 31 December 2025, approximately 40% of construction had been completed. The project is expected to be completed in December 2026.

Liu'an Yeji Minghui City

Liu'an Yeji Minghui City is located in west of Zhanqian Road, south of Weiming Road, east of Changqing Road and north of Shihe Road, Yeji District, Liu'an, Anhui Province. It is designed as an integrated residential complex.

The site area of the project is approximately 116,734 sq.m., with an aggregate GFA of approximately 102,620 sq.m.

As at 31 December 2025, approximately 40% of construction had been completed. The project is expected to be completed in December 2027.

Fengyang Taoyuan Yashe

Fengyang Taoyuan Yashe is located at the west side of Gongchengmiao Road and on the north side of Fengle West Road, Fengyang Town, Chuzhou, Anhui Province. It is designed as an integrated commercial complex.

The site area of the project is approximately 34,338 sq.m., with an aggregate GFA of approximately 87,626 sq.m.

As at 31 December 2025, approximately 20% of construction had been completed. The project is expected to be completed in December 2026.

Maanshan Mingbo Tianyue Fu

Maanshan Mingbo Tianyue Fu is located at the southwest corner of the intersection of Yuhe Road and Taihang Road in Bowang Town, Bowang District, Ma'anshan, Anhui Province. It is designed as an integrated residential complex.

The site area of the project is approximately 32,569 sq.m., with an aggregate GFA of approximately 71,122 sq.m.

As at 31 December 2025, approximately 20% of construction had been completed. An aggregate GFA of 22,899 sq.m. had been pre-sold and will be delivered to the buyers upon completion in December 2026.



Nan'an Guozhong Huayuan

Nan'an Guozhong Huayuan is located at Furong New City Community, Meishan Town, Nan'an City, Fujian Province. It is designed as an integrated residential complex.

The site area of the project is approximately 55,564 sq.m., with an aggregate GFA of approximately 126,535 sq.m.

As at 31 December 2025, approximately 20% of construction had been completed. An aggregate GFA of 13,660 sq.m. had been pre-sold and will be delivered to the buyers upon completion in April 2027.

Maanshan Mingbo Junyue Fu

Maanshan Mingbo Junyue Fu is located at the southwest corner of the intersection of Yuhe Road and Hangyang Road in Bowang Town, Bowang District, Ma'anshan, Anhui Province. It is designed as an integrated residential complex.

The site area of the project is approximately 30,765 sq.m., with an aggregate GFA of approximately 52,301 sq.m.

As at 31 December 2025, approximately 20% of construction had been completed. The project is expected to be completed in June 2026.

New project in Hainan Danzhou

The project is located in Plot 54 Nada Konggui, Danzhou City, Hainan Province. It is designed as an integrated residential complex.

The site area of the project is approximately 66,541 sq.m., with an aggregate GFA of approximately 119,774 sq.m. As at 31 December 2025, approximately 20% of construction had been completed. The project is expected to be completed in September 2027.

Suzhou Wenjin Yuan

The project is located in southeast corner of Huaihe Road and Xichang Road in Yongqiao District, Suzhou City, Anhui Province. It is designed as an integrated residential complex.

The site area of the project is approximately 29,098 sq.m., with an aggregate GFA of approximately 151,309 sq.m. As at 31 December 2025, approximately 20% of construction had been completed. The project is expected to be completed in September 2027.

Chuzhou Mingrong Guanhu Yaju

The project is located to the northeast of the intersection of Xijian Road and Huanhu Road in Langya District, Chuzhou City, Anhui Province. It is designed as an integrated residential complex.

The site area of the project is approximately 30,923 sq.m., with an aggregate GFA of approximately 43,292 sq.m. As at 31 December 2025, approximately 20% of construction had been completed. The project is expected to be completed in December 2027.

Jiangsu Mingfa Headquarters Base Phase 2 and 3

The project is located in Taishan Park, High-tech Zone, Nanjing, Jiangsu Province. It is designed as an integrated industrial and scientific research complex. The site area of the project is approximately 231,229 sq.m., with an aggregate GFA of approximately 1,125,250 sq.m. As at 31 December 2025, approximately 20% of construction had been completed. The project is expected to be completed in December 2027.

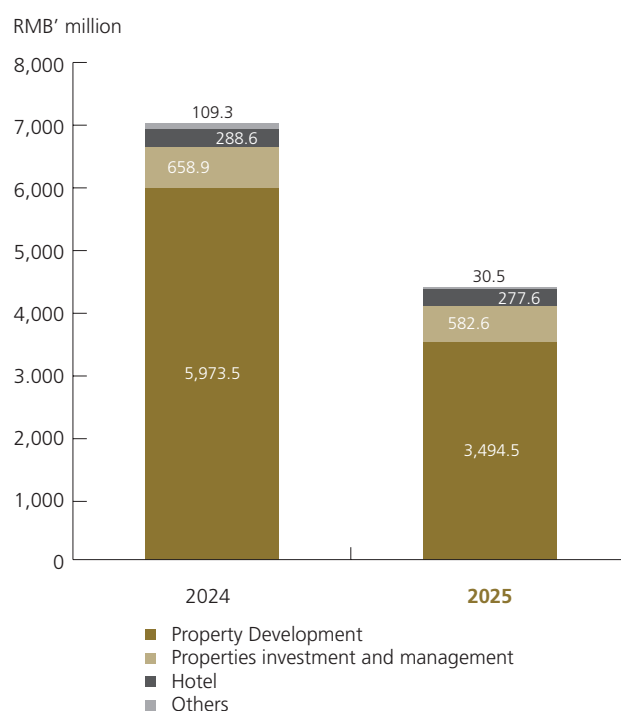
MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2025, revenue generated by the Group was approximately RMB4,385.2 million (2024: approximately RMB7,030.3 million), representing a decrease of 37.6% as compared to 2024. The decrease in revenue in 2025 was mainly due to the decrease in the GFA delivered from 1,058,431 sq.m. in 2024 to 642,641 sq.m. in 2025. Revenue from various sectors is analyzed as follows:

For the year ended 31 December	Property Development (RMB'million)	Properties Investment and Management (RMB'million)	Hotel (RMB'million)	Others (RMB'million)	Total (RMB'million)	Percentage of (Decrease)/ Increase in Total Revenue
2025	3,494.5	582.6	277.6	30.5	4,385.2	(37.6%)
2024	5,973.5	658.9	288.6	109.3	7,030.3	(26.2%)

Revenue by Segment



Revenue from the properties development sector contributed 79.7% in total to the Group's revenue. Revenue from the property development sector decreased by 41.5% which was primarily due to less GFA being delivered from 1,058,431 sq.m. in 2024 to 642,641 sq.m. in 2025.

Revenue from the properties investment and management sector decreased by 11.6%, from approximately 658.9 million in 2024 to approximately RMB582.6 million in 2025 which was mainly due to the disposal of investment properties in 2025.



Revenue generated from the hotel sector decreased by 3.8% from approximately RMB288.6 million in 2024 to approximately RMB277.6 million in 2025.

The gross profit of the Group was approximately RMB704.0 million for 2025, representing a decrease of 53.6% as compared to 2024 (2024: approximately RMB1,516.8 million). The decrease was primarily driven by lower revenue and a contraction in gross margin during 2025.

The loss for the year of the Group decreased by 33.7% from RMB1,809.2 million in 2024 to RMB1,198.7 million in 2025. The decrease in loss in 2025 was mainly attributable to a lower provision for land appreciation tax, arising from the decline in gross margin from 21.6% in 2024 to 16.1% in 2025.

The loss attributable to the equity holders of the Company decreased by 31.5% from approximately RMB1,791.1 million in 2024 to RMB1,227.2 million in 2025. The decrease in loss in 2025 was mainly attributable to a lower provision for land appreciation tax, arising from the decline in gross margin from 21.6% in 2024 to 16.1% in 2025.

The cost of sales of the Group was approximately RMB3,681.1 million for 2025, representing a decrease of 33.2% as compared to 2024 (2024: approximately RMB5,513.4 million). Cost of sales decreased in line with the decrease in revenue in 2025.

The average cost of properties included in cost of sales of the Group was RMB4,692.2 per sq.m. for 2025, representing an increase of 5.8% over 2024 (2024: average cost of properties included in cost of sales was RMB4,419.1 per sq.m.).

Fair value loss in investment properties was approximately RMB972.0 million in 2025 (2024: fair value loss in investment properties of approximately RMB1,198.8 million). The loss was mainly due to further decrease in market value of commercial properties in 2025.

Other gains were approximately RMB151.0 million in 2025 (2024: other losses of approximately RMB33.1 million). The change was mainly due to the gain on disposal of investment properties in 2025.

Selling and marketing costs of the Group were approximately RMB312.4 million in 2025, representing a decrease of 21.4% as compared to 2024 (2024: approximately RMB397.3 million). The decrease was mainly due to the decrease in sales commission led by the decrease in sales.

General and administrative expenses of the Group amounted to approximately RMB481.6 million in 2025, representing a decrease of 30.0% compared with 2024 (2024: approximately RMB688.0 million). The reduction was primarily attributable to streamlined operations, including the consolidation of various offices during 2025.

Net finance income of the Group decreased by 95.0% to approximately RMB2.6 million in 2025 (2024: approximately RMB52.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

As at 31 December 2025, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB570.3 million (2024 : approximately RMB1,170.7 million). Restricted cash of the Group was approximately RMB3.8 million (2024 : approximately RMB5.3 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB410.4 million and RMB2,377.2 million respectively (2024 : approximately RMB276.0 million and RMB1,834.7 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 31 December 2025.

BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings included in non-current liabilities		
Bank borrowings — secured	2,787,532	2,110,728
Less: Amounts due within one year	(410,363)	(276,000)
	2,377,169	1,834,728
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	410,363	276,000
	2,787,532	2,110,728

The maturity of the borrowings included in non-current liabilities is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings:		
On demand or within one year	410,363	276,000
Between 1 and 2 years	281,629	428,835
Between 2 and 5 years	958,440	449,273
Over 5 years	1,137,100	956,620
	2,787,532	2,110,728

Total interest expenses including the capitalised interest costs amounted to approximately RMB151.0 million (2024: approximately RMB79.5 million) in total.



The borrowings was categorised by fixed or floating interest:

	As at 31 December 2025		As at 31 December 2024	
	RMB'million	% of total	RMB'million	% of total
Fixed	—	—	—	—
Floating	2,787.5	100%	2,110.7	2,110.7
Total borrowings	2,787.5	100%	2,110.7	2,110.7

FINANCIAL RATIO

Set out below are the major ratios of the Group:

	As at and for the year ended 31 December	
	2025	2024
Gross profit margin	16.1%	21.6%
Operating (loss) margin	(24.6)%	(17.0)%
Net (loss) margin	(27.3)%	(25.7)%
Current ratio	1.15	1.07
Total liabilities to total assets	72.8%	73.0%
Bank loans and other borrowings to shareholders' funds	19.2%	13.4%
Non-current bank loans and other borrowings to total assets	4.1%	2.9%
Gearing ratio*	12.4%	5.3%

* Defined as net debt (total borrowings less cash and cash equivalents and cash restricted for borrowings) divided by the sum of shareholders' funds and net debt.

PLEDGES OF ASSETS

As at 31 December 2025, investment properties of the Group with net book value of approximately RMB4,325.8 million (31 December 2024: approximately RMB2,168.0 million), certain hotel building of approximately RMB1,063.1 million (31 December 2024: nil), no leasehold interests in land (31 December 2024: approximately RMB132.8 million), no completed properties held for sale (31 December 2024: approximately RMB1,081.2 million) and properties under development of approximately RMB929.5 million (31 December 2024: approximately RMB371.7 million) were pledged to secure the banking facilities of the Group.

CAPITAL COMMITMENTS

As at 31 December 2025, the contracted capital commitments of the Group were approximately RMB18,448.9 million (31 December 2024: approximately RMB19,138.4 million), which were mainly the capital commitments for property development. It is expected that the Group will finance such commitments from internally generated funds and resources.

MANAGEMENT DISCUSSION AND ANALYSIS

GUARANTEES AND CONTINGENT LIABILITIES

As at 31 December 2025, the contingent liabilities of the Group was approximately RMB4,488.5 million (31 December 2024: approximately RMB5,116.4 million), which were mainly the guarantees given by the Group in favour of certain banks for the grant of mortgage loans to buyers of the Group's properties. Such guarantees will be released following the completion of transfer of property title by the Group to the buyers.

FOREIGN EXCHANGE RISK

As at 31 December 2025, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi, New Taiwan dollars, US dollars and Hong Kong dollars in the respective proportions of 99.3%, 0.3%, 0.1% and 0.3% (31 December 2024: Renminbi, New Taiwan dollars and Hong Kong dollars in the respective proportions of 94.0%, 5.6% and 0.4% of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi in 2024 and 2025.

As the sales, purchases, bank borrowings and other borrowings of the Group in 2025 were made mainly in Renminbi, Hong Kong dollars and US dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi, Hong Kong dollars or US dollars, the Group will convert the Hong Kong dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2025 as the hedging list was comparable to the corresponding risk.

INTEREST RATE RISK

As at 31 December 2025, the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.

FUNDING AND TREASURY POLICY

The Group utilizes cash flows generated from operating activities and bank loans to finance its operations, construction and capital expenditure, to increase its land banks, to discharge its debt and to ensure the continuous growth of the Group's business.

CREDIT POLICIES

The Group has policies in place to ensure that sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payment. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Other receivables mainly comprise deposits made to government agencies for property development purposes which are to be recovered upon completion of the development, and advances to business partners for business cooperations. The Group closely monitors these deposits and advances to ensure actions are taken to recover these balances in the case of any risk of default.



AWARDS AND RECOGNITION

The Group was granted various awards by the PRC Government and other recognized authorities for the year under review, details of which are set out as follows:

No	Awards	Awarding Department	Date of Award
1	2025 Luyang District Hotel Industry Public Security Management Advanced Unit — Hefei Mingfa International Hotel	Luyang Branch of Hefei Municipal Public Security Bureau	2025

HUMAN RESOURCES

As at 31 December 2025, the Group employed 2,990 staff (31 December 2024: 3,382 staff). For 2025, the staff costs of the Group including Directors' emoluments were approximately RMB220.7 million (2024: approximately RMB264.1 million). The staff costs include basic salary and welfare expenses, whereby employees' welfare includes medical insurance plan, pension plan, unemployment insurance plan, training and pregnancy insurance plan.

The Company values its human capital and is keen to improve the professionalism and competitiveness of its employees through training and regular performance reviews. The Group provides various training opportunities to employees, including training for accounting teams and other training in relation to the latest group reporting requirements and standards. The Group's employees are engaged according to the terms and provisions of their employment contracts and the Group normally conducts review on the remuneration packages and performance appraisal once every year for its employees, the results of which will be applied in annual salary review for considering the grant of annual bonus or not and in promotion assessment. The Group also regularly studies and compares its remuneration packages with those of its peers and competitors and will make adjustment whenever necessary so as to maintain its competitiveness in the employment market.

PENSION SCHEME

The Group maintains different pension schemes and retirement schemes for its employees in different locations in accordance with applicable laws and regulations of different jurisdictions.

The Group has participated in the mandatory provident fund scheme ("**MPF Scheme**") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at specified rates.

In relation to the employees in the PRC, the PRC Government also imposes compulsory requirements for all PRC business enterprises to participate in the state-managed retirement benefit scheme. The employees of the PRC subsidiaries of the Group are members of the state-managed retirement benefit scheme, and these PRC subsidiaries are obligated to contribute certain percentage of payroll costs to the state-managed retirement benefit scheme. There was no forfeited contribution under the scheme available for deduction of future contribution to be made by the Group.

For 2025, the contribution to the above MPF Scheme and retirement benefit scheme made by the Group amounted to approximately RMB18.0 million (2024: approximately RMB24.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND POLICY

The Board approved and adopted a dividend policy on 9 July 2019 which sets out the approach in deciding whether to propose a dividend and in determining the dividend amount, with an aim to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the shareholders.

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Act of the Cayman Islands, any applicable laws, rules and regulations and the articles of association of the Company. The Company may in its full discretion decide not to declare dividend due to various reasons, including but not limited to maintaining or adjusting the capital structure and reserving more capital to capture opportunities.

The declaration and payment of future dividend under this policy are subject to the Board's determination that the same would be in the best interests of the Group and the shareholders as a whole.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors, inter alia:

- (a) the Company's operating results, actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group;
- (c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (e) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (f) the Group's actual and future operations and liquidity position;
- (g) general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factors that the Board deems appropriate and relevant.



CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company ("**Shareholders**") as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. During the year under review, all code provisions in the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") were complied with by the Company.

Ms. Shang Xuan (being appointed as an executive Director with effect from 2 October 2024) obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 20 September 2024 and confirmed that she understood her obligations as a Director.

Mr. Huang Zhibin and Ms. Chen Bihua (being appointed respectively as an executive Director and a non-executive Director on 9 October 2025) obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 23 September 2025 and confirmed that they understood their obligations as Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding the Directors' securities transactions throughout the year under review.

BOARD OF DIRECTORS

Directors during the financial year and up to the date of this report were:

Executive Directors

Mr. Ng Man Fung Walter

Ms. Shang Xuan

Mr. Huang Zhibin (appointed as a director on 9 October 2025)

Mr. Zhong Xiaoming (resigned effective from 1 January 2025)

Non-Executive Directors

Dr. Lam, Lee G. (*Chairman*)

Ms. Chen Bihua (appointed as a director on 9 October 2025)

Independent Non-Executive Directors

Mr. Lau Kin Hon

Mr. Chu Kin Wang Peleus

Mr. Chan Sing Lai

The Directors' biographical information is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report. All executive Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to perform his/her duties effectively and efficiently.

CORPORATE GOVERNANCE REPORT

A total of 7 Board meetings were held during the year under review. The individual attendance of each Director was as follows:

Name of Director	Number of Meetings Attended	Total of Meetings Held during the Director's Tenure
Mr. Ng Man Fung Walter	7	7
Mr. Lau Kin Hon	7	7
Mr. Chu Kin Wang Peleus	7	7
Mr. Chan Sing Lai	7	7
Ms. Shang Xuan	7	7
Dr. Lam, Lee G. (<i>Chairman</i>)	7	7
Ms. Chen Bihua (appointed on 9 October 2025)	1	1
Mr. Huang Zhibin (appointed on 9 October 2025)	1	1

The Board is responsible for achieving the corporate goals, formulating the development strategy, regularly reviewing the organizational structure, and monitoring the business activities and the performance of the management so as to protect and maximize the interests of the Company and its shareholders. Matters relating to the daily operations of the Group are delegated to the management. The delegated functions, power and work tasks are periodically reviewed to ensure that they remain appropriate. The Board will give clear directions to the management team as to their powers of management, and circumstances where the management team should report back. Approval has to be obtained from the Board prior to any decision being made or any commitments being entered into on behalf of the Company that are outside the scope of the operational authority delegated by the Board. Matters reserved for the Board are the overall strategy of the Group, major acquisitions and disposals, major capital investments, dividend policy, significant changes in accounting policies, material contracts, appointment and retirement of Directors, remuneration policy and other major operational and financial matters.

Save as disclosed in the section of "Biographical Details of Directors and Senior Management" in this annual report, none of the Directors holds directorships in other listed companies in the last three years, and to the best knowledge of the Directors, there is no personal relationship (including financial, business, family or other material/ relevant relationship) with any other Directors, the Chairman of the Board and the chief executive of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year under review, the role of the chairman was performed by Dr. Lam, Lee G. (Chairman) who has been responsible for ensuring effectiveness of the Board, promoting the Company and upholding the Company's corporate governance. The role of the chief executive officer of the Company was performed by Ms. Shang Xuan who had been responsible for overall strategic planning and overall daily operation of the Group.

BOARD INDEPENDENCE

Pursuant to code provision B.1.3 of the CG Code, the Board has established mechanism(s) to ensure independent views and input are available to the Board, in particular, (i) independent non-executive directors are encouraged to actively participate in the Board meetings; (ii) the number of independent non-executive directors must comply with the requirement under the Listing Rules; and (iii) the independent non-executive directors shall devote sufficient time to discharge their duties as a director. Furthermore, the Board may access external independent professional advice to assist their performance of duties at the expense of the Company. The Board will review the implementation and effectiveness of such mechanism(s) on an annual basis.



The Company had three independent non-executive Directors (“Independent Non-Executive Directors”) during the year under review, namely, Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus and Mr. Chan Sing Lai, who have appropriate and sufficient experience and qualification to carry out their duties so as to protect the interests of the shareholders of the Company. Each of the Independent Non-Executive Directors has been appointed for a term of 2 or 3 years and subject to rotation as required under the articles of association of the Company, the Listing Rules and other applicable rules (if re-elected, shall continue thereafter) and termination at any time by either party giving to the other not less than 3 months’ notice in writing or in accordance with the provisions set out in the respective service agreement.

NOMINATION OF COMMITTEE

The Company has set up a nomination committee (“**Nomination Committee**”) with terms of reference that are in compliance with the relevant requirements of the Listing Rules. The primary duties of the Nomination Committee are to formulate nomination procedures and standards for candidates for Directors and senior management, to conduct preliminary review of the qualifications and other credentials of the candidates for Directors and senior management and to recommend suitable candidates for Directors and senior management to the Board.

Nomination Procedures

The Board adopted a nomination policy (“**Nomination Policy**”) which sets out procedure, process and criteria in evaluating and selecting candidates for directorships of the Company. The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making. The Company recognises and embraces the benefits of diversity of the Board to enhance the quality of its performance. The Board has adopted a board diversity policy as set out in the Terms of Reference of Nomination Committee effective from 26 August 2013 (“**Board Diversity Policy**”). All Board appointments will continue to be made on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee have continued to evaluate the optimal composition of the Board, and consider the Company’s demand for directors, taking into account the agreed strategies and objectives of the Company and consider the skills that the Board members possess, and determine whether those are appropriate for the current situation that the business is in, the challenges it will be facing, and the opportunities that it may wish to exploit. The Nomination Committee may consider the nominations of candidates from Board members or it may also put forward candidates who are not nominated by Board members. The Nomination Committee shall review information about the candidates; examine the qualifications of the candidates against the selection criteria for Directors; make recommendations to the Board on the selection of candidates nominated for directorships and submit the relevant information to the Board; and take other follow-up actions according to the decision and feedback from the Board. The Board will confirm the appointment of the suitable candidate or recommend the candidate to stand for election at a general meeting of the Company. A candidate who is appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by Shareholders at the next annual general meeting following their appointment in accordance with the articles of association of the Company.

The Nomination Committee will review and monitor from time to time the implementation of the Nomination Policy to ensure its effectiveness.

Pursuant to the Nomination Policy, the Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- (a) character and integrity;

CORPORATE GOVERNANCE REPORT

- (b) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- (c) commitment of the candidate to devote sufficient time to effectively carry out his/her duties. In this regard, the number of offices held by the candidate in public companies or organizations, and other appointments or significant commitments will be considered;
- (d) independence of the candidate (with reference to the criteria laid down in the Main Board Listing Rules if appointing an independent non-executive director to the Board);
- (e) Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and
- (f) other factors considered to be relevant by the Nomination Committee on a case by case basis.

Board Diversity Policy

Under the Board Diversity Policy, selection of candidate will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. Each of the Board members possesses different skills and knowledge, including property development, construction and building construction management, development strategy and marketing management, financial management, procurement management, administration and business management, property and hotel management, investment development, legal and human resource management, etc. The Board is characterized by significant diversity in terms of age, designation, length of service, skills and knowledge. The Nomination Committee will monitor the implementation of the Board Diversity Policy and review it from time to time as appropriate to ensure its effectiveness.

After reviewing the implementation of the Board Diversity Policy, the Company considers that it has been effectively implemented. As of December 31, 2025, the Company has achieved the following measurable objectives set out in the Board Diversity Policy:

- As of 31 December 2025, the Board has two female members and six male members, allowing the Company to achieve the gender diversity of the Board at 25%.
- As of December 31, 2025, members of the Board have a reasonable age structure, with one director aged 30 to 40, one director aged 40 to 50, two directors aged 51 to 60, and four directors aged 60 to 70.
- As of December 31, 2025, members of the Board possess wide range of professional experience, including but not limited to corporate strategic planning, corporate management, finance and financial affairs.

Gender Diversity of Employees

The Company strives to achieve gender diversity and gender equality in the workforce (including senior management). The Company is committed to the principle of fair and equal employment opportunities regardless of citizenship, nationality, race, gender, religious beliefs and cultural background, and does not impose any restrictive requirements on gender, ethnicity, nationality or region. As of December 31, 2025, the total workforce of the Company comprised 1,580 male and 1,410 female. The Company considers that gender diversity in the workforce has been achieved in 2025.



During the year under review, from 1 January 2025 to 24 June 2025, the Nomination Committee consists of three members, namely three Independent Non-Executive Directors, Mr. Chan Sing Lai, Mr. Lau Kin Hon and Mr. Chu Kin Wang Peleus. Mr. Chan Sing Lai is the chairman of the Nomination Committee. With effect from 24 June 2025, Mr. Lau Kin Hon resigned as a member of the Nomination Committee and Ms. Shang Xuan was appointed on the same date. Following the above changes, the Nomination Committee comprises two Independent Non-Executive Directors, Mr. Chan Sing Lai and Mr. Mr. Chu Kin Wang Peleus and one Executive Director and Chief Executive Officer, Ms. Shang Xuan. Mr. Chan Sing Lai continues to be the chairman of the Nomination Committee.

For the year ended 31 December 2025, the Nomination Committee held 3 meetings to review and discuss nomination matters of the Group. The individual attendance of each member was as follows:

Name of Director	Number of Meeting Attended	Total of Meetings Held during the Director's Tenure
Mr. Chan Sing Lai (<i>chairperson of the Nomination Committee</i>)	3	3
Mr. Lau Kin Hon (resigned effective from 24 June 2025)	2	2
Mr. Chu Kin Wang Peleus	3	3
Ms. Shang Xuan (appointed on 24 June 2025)	1	1

The tasks performed by the Nomination Committee during the year under review in discharging its responsibilities include:

- (a) to review the structure, size and composition of the Board;
- (b) to review the independence of Independent non-executive Directors;
- (c) to review the list of Directors of their rotation, retirement and re-election; and
- (d) to review the terms of reference of the Nomination Committee, Board Diversity Policy, Procedure for Shareholders to Propose a Person for election as a Director and Nomination Policy.

The Nomination Committee, having reviewed the structure, size, composition and diversity of the Board including the gender, age, culture and educational background, professional experience and industry experience of each Director vis-a-vis the Group's business strategy as well as the structure for the rotation of Directors, considered that the existing arrangements were appropriate.

REMUNERATION COMMITTEE

The Company has set up a remuneration committee ("**Remuneration Committee**") with terms of reference that are in compliance with the relevant requirements of the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, to review performance based on remuneration and to ensure none of the Directors can determine their own remuneration.

The Remuneration Committee adopted the approach under code provision E.1.2(c) (ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual independent Directors and senior management of the Company and have access to professional advice, if necessary.

CORPORATE GOVERNANCE REPORT

The basis of the emoluments payable to the Directors is determined with reference to the range of prevailing remuneration for directors of listed companies in Hong Kong and is subject to the approval of the Board. The Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions in the Group and the desirability of performance-based remuneration.

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in Note 31 to the consolidated financial statements in this report.

During the year under review, Mr. Lau Kin Hon served as the chairperson of the Remuneration Committee, Mr. Chu Kin Wang Peleus and Mr. Chan Sing Lai were the members of the Remuneration Committee. All are Independent Non-Executive Directors.

For the year ended 31 December 2025, the Remuneration Committee held 2 meetings to review and discuss remuneration matters of the Group. The individual attendance of each member was as follows:

Name of Director	Number of Meetings Attended	Total of Meetings Held during the Director's Tenure
Mr. Lau Kin Hon (<i>chairperson of the Remuneration Committee</i>)	2	2
Mr. Chu Kin Wang Peleus	2	2
Mr. Chan Sing Lai	2	2

The tasks performed by the Remuneration Committee during the year under review in discharging its responsibilities include:

- (a) to review the remuneration policy and remuneration packages of the Directors and senior management, and structure of the Directors and senior management of the Company; and
- (b) to review the revised terms of reference of the Remuneration Committee.

AUDIT COMMITTEE

The Company has set up an audit committee ("**Audit Committee**") with terms of reference that are in compliance with the relevant requirements of the Listing Rules. The primary duties of the Audit Committee include making recommendations to the Board in relation to the independency and engagement of external auditor, monitoring the integrity, accuracy and fairness of financial statements, reviewing the system of financial control, internal control and risk management, overseeing the audit process, reviewing the corporate governance practices of the Company and performing other duties and responsibilities as assigned by the Board.

The Board delegates its following responsibility and duties in relation to the corporate governance to the Audit Committee:

- to develop and review the policies and practices on corporate governance and make recommendations to the Board;



- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the Corporate Governance Code disclosure requirements in the Company's Corporate Governance Report.

During the year under review, Mr. Chu Kin Wang Peleus served as the chairperson of the Audit Committee, Mr. Lau Kin Hon and Mr. Chan Sing Lai were the members of the Audit Committee. All are Independent Non-Executive Directors.

For the year ended 31 December 2025, the Audit Committee held 6 meetings to review and consider (i) the consolidated financial statements for the year ended 2024 and first half of 2025, including the accounting principles and practices adopted by the Group, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements; (ii) to review and discuss the re-appointment of the auditors; (iii) to discuss the additional approval role in relation to the internal control aspect; (iv) to discuss and review the internal control reports; and (v) to review and discuss policy update and the nature and the scope of the audit plan. The Audit Committee has also discussed with the Group's independent auditor and considers the system of the internal control of the Group to be effective and that the Group had adopted the necessary control mechanisms to its financial, operational and statutory compliance. The individual attendance of each member was as follows:

Name of Director	Number of Meetings Attended	Total of Meetings Held during the Director's Tenure
Mr. Chu Kin Wang Peleus (<i>chairperson of the Audit Committee</i>)	6	6
Mr. Lau Kin Hon	6	6
Mr. Chan Sing Lai	6	6

RISK MANAGEMENT COMMITTEE

The Company has set up a risk management committee ("**Risk Management Committee**") with terms of reference on 15 July 2019. The main responsibilities of the Risk Management Committee include evaluating the risks, making relevant suggestions, considering and, if thought fit, giving pre-approval to the Board in relation to, among other things, (i) notifiable transactions and connected transactions of the Company; (ii) any acquisition or disposal transactions with a consideration exceeding certain thresholds; and (iii) any borrowings of the Group from non-bank or non-financial institution, and any provision of loans by the Group to any third party with an amount exceeding certain thresholds.

During the year under review, Mr. Chan Sing Lai served as the chairperson of the Risk Management Committee, Mr. Lau Kin Hon and Mr. Chu Kin Wang Peleus were the members of the Risk Management Committee. All are Independent Non-Executive Directors.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the Risk Management Committee held 2 meetings to review and discuss the terms of reference of the committee, Preventing Conflicts of Interest Policy and consider the transactions of the Group that exceeded certain thresholds as set in the internal policy of the Company including loan facilities and sale and purchase agreement. The individual attendance of each member was as follows:

Name of Director	Number of Meetings Attended	Total of Meetings Held during the Director's Tenure
Mr. Chan Sing Lai (<i>chairperson of the Risk Management Committee</i>)	2	2
Mr. Lau Kin Hon	2	2
Mr. Chu Kin Wang Peleus	2	2

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Upon appointment as our Directors, each newly appointed Director receives comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being our Director, in order to ensure each Director is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

From time to time, the Company encourages all Directors and also senior executives to equip themselves with relevant up-to-date knowledge and skills. According to the training records maintained by the Company, all Directors had participated in continuous professional development as required under Rules 3.09F and 3.09G of the Listing Rules in the following manner in compliance with code provision C.1.1 of the CG Code during the year under review. Each of Mr. Huang Zhibin and Ms. Chen Bihua, who was appointed to the Board on 9 October 2025, has completed no less than 24 hours of continuous professional development and met the continuous professional development requirement under Rule 3.09H of the Listing Rules. A summary of their records of training in 2025 is as follows:

Name of Directors	Types of Training/Development*
Executive Directors	
Mr. Ng Man Fung Walter	B
Ms. Shang Xuan	B
Mr. Huang Zhibin (appointed on 9 October 2025)	B
Non-Executive Directors	
Dr. Lam, Lee G.	B
Ms. Chen Bihua (appointed on 9 October 2025)	B
Independent Non-Executive Directors	
Mr. Lau Kin Hon	B
Mr. Chu Kin Wang Peleus	B
Mr. Chan Sing Lai	B



* The letter “A” denotes the activities which include reviewing company business updates, company news and reports and industry updates. The letter “B” denotes the activities which include reading updates of laws, rules and regulations, accounting standards, newspapers and industry journals. The letter “C” denotes training conducted by professional advisers/legal counsel of the Company.

REMUNERATION OF MEMBERS OF THE SENIOR MANAGEMENT

The remuneration of the members of the senior management of the Group for the year ended 31 December 2025 and 2024 fall within the following bands:

	Number of Individuals	
	2025	2024
Emolument Bands		
HK\$1,000,000–HK\$1,500,000	2	2
HK\$1,500,001–HK\$2,000,000	1	—
HK\$2,000,001–HK\$2,500,000	1	1

AUDITOR’S REMUNERATION

For 2025, the remuneration of the Company’s auditor for auditing the annual consolidated financial statements of the Group was approximately RMB2.9 million in aggregate.

During the year under review, there were no other significant non-audit service assignments performed by the auditor of the Company.

ANNUAL REVIEW OF THE EFFECTIVENESS OF THE INTERNAL CONTROL OF THE GROUP

The Board has the responsibility for maintaining a sound and effective system of internal control. The Directors, through the Audit Committee, have conducted an annual review of the effectiveness of the system of internal control of the Group including the existing internal compliance procedures; the adequacy of resources; the staff qualifications and experience; the training programmes and budget; the duties and responsibilities of the accounting, financial reporting, internal control and compliance departments of the Group. It was resolved that there is an ongoing system in place for identifying, evaluating and managing significant risks which will be faced by the Group. With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has established a process in accordance with relevant requirements under the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) with close regard to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission, including notification of regular blackout period and securities dealing restrictions to Directors and relevant employees.

The Board appointed an independent internal control consultant to annually review the internal control systems and procedures of the Group since December 2018. The scope of review had been reviewed and approved by the Audit Committee. Based on the internal control reviews conducted during the year under review, no significant internal control deficiency was identified. In July 2019, the Board set up the Risk Management Committee comprising 3 Independent Non-Executive Directors. The Risk Management Committee is primarily responsible for providing professional advice on risk management and corporate compliance management to the Board and making decisions on specific risk and compliance management issues within the authority delegated by the Board. The Company has complied with Paragraph D.2 of the CG Code considers the risk management and internal control systems currently in place are effective and adequate.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Communication Channel

The Company publishes corporate communications and its Shareholders Communication Policy on its website (<http://www.ming-fa.com>).

Shareholders of the Company and the investment community may at any time make enquiries to the Company:

By post:

Mingfa Group (International) Company Limited
Flat B, 30/Floor
Plaza 88
88 Yeung Uk Road
Tsuen Wan
Hong Kong
Attention: Company Secretary

By telephone: +852 2620 5885

By email: info@mingfagroup.com

The Board and senior management maintain a continuing dialogue with the Shareholders and the investment community through various channels, including the Company's annual general meeting. The Chairman and other members of the Board attend the annual general meeting of the Company. Directors will answer questions raised by the Shareholders on the performance of the Group. The Company also holds investor relations conference following the release of full year results announcement at which the Executive Directors and senior management of the Group are available to answer questions regarding the performance of the Group. The Board conducted a review of the implementation and effectiveness of the communication policy for shareholders. Having considered the multiple channels of communication in place, the Board is satisfied that the Shareholders Communication Policy has been properly implemented during the year under review and is effective.

GENERAL MEETING

One general meeting was held during the year under review.

Procedures for Shareholders to Convene an Extraordinary General Meeting of the Company ("EGM")

Registered Shareholder(s) holding not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at a general meeting of the Company ("**EGM Requisitionist(s)**") can deposit a written request to convene an EGM at the registered office of the Company, which is presently situated at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

EGM Requisitionist(s) must state in their request(s) the objects of the EGM and such request(s) must be signed by all the EGM Requisitionists and may consist of several documents in like form, each signed by one or more of the EGM Requisitionists.

The share registrars of the Company ("**Share Registrars**") will verify the EGM Requisitionists' particulars in the EGM Requisitionists' request. Promptly after confirmation from the Share Registrars that the EGM Requisitionists' request is in order, the company secretary of the Company will arrange with the Board to convene an EGM by serving sufficient advance notice to all the registered Shareholders in accordance with all the relevant statutory and regulatory requirements. On the contrary, if the EGM Requisitionists' request is determined to be not in order, the EGM Requisitionists will be advised of the outcome and accordingly, an EGM will not be convened as requested.

The EGM Requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM if within twenty-one (21) days of the deposit of the EGM Requisitionists' request, the Board does not proceed duly to convene an EGM provided that any EGM so convened is held within three (3) months from the date of the original EGM Requisitionists' request. An EGM so convened by the EGM Requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Company.

Procedures for Shareholders to Put Forward Proposals at a General Meeting

There is no provision allowing Shareholders to move a new resolution at general meetings under the Cayman Islands Companies Law (2012 revision) or the articles of association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding section headed "Procedures for Shareholders to Convene an Extraordinary General Meeting of the Company".

Procedures for Shareholders to Propose a Person for Election as a Director

Details of the procedures had been made available online on the websites of the Company (<http://www.ming-fa.com>) and the Stock Exchange (<http://www.hkexnews.hk>).

CONSTITUTIONAL DOCUMENT

During the year under review, no amendment to the memorandum and articles of association of the Company was made.

DIRECTOR'S RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

All Directors acknowledge that they are responsible for the preparation of financial statements which give a true and fair view of the Company and the Group.

For and on Behalf of the Board
Mingfa Group (International) Company Limited

Dr. Lam, Lee G.
Chairman
24 April 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

Mingfa Group is a well-known enterprise in the real estate industry of the PRC. It is a large-scale modern group enterprise with urban operations as its core business and commercial real estate, residential real estate and hotel management as its pillars, and engages in industry, commerce, investment and other businesses. As a leading company in the real estate industry of the PRC, the Group actively fulfills its environmental and social responsibilities.

The Group's environmental, social and governance ("**ESG**") report is prepared for the purpose of providing a brief report on its ESG performance in 2025. The Group is actively pursuing innovation in environmental protection and social responsibility, focusing on the direction of sustainable development and global climate change for innovations on business models and operating methods. This report has been prepared in accordance with the environmental, social and governance reporting guidelines as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For the year ended 31 December 2025, the Company has complied with the "Comply or Explain" provisions contained in the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange.

The Group's environmental and social strategies, management policies, priorities and objectives are disclosed in this report. The Group hereby presents its annual ESG report ("**ESG Report**") for the period from 1 January 2025 to 31 December 2025. The scope of this ESG Report covers the period from 1 January 2025 to 31 December 2025 for commercial and residential property development and hotel operations of the Group located in Nanjing, Maanshan, Shenyang, Zibo, Huai'an, Yangzhou, Hefei, Wuxi, Beijing, Tianjin, Lanzhou, Pingliang, Taizhou, Zhenjiang, Shanghai, Guangan, Changsha, Huizhou, Honglai, Quanzhou, Taoyuan, Zhangzhou, Xiamen, etc., and offices in mainland China and Hong Kong, China.

The Group is principally engaged in the development of large-scale complex properties in China, as well as the national brand reputation of hotel management, property management and property investment. Further information on the Group's principal business is disclosed under "Management Discussion and Analysis" section, which should be read in conjunction with the "Corporate Governance Report" and "Notes to the Consolidated Financial Statements" in order to gain a comprehensive understanding of the performance of the Group.

In accordance with the sustainability strategy of the Group, the Board monitors the environmental impact in the course of operations. To effectively improve the performance of sustainable development, the Board is responsible for monitoring the performance of various departments in respect of ESG, appointing relevant departments to implement policies, conducting regular review and improvement policies, and is committed to continuously improving the Group's strategy for sustainable development, and hopes to continuously improve energy conservation, waste reduction and social responsibility.

COMMUNICATION WITH STAKEHOLDERS

As a committed company, the Group is dedicated to maintaining the highest environmental and social standards in order to ensure the sustainability of its business. The Group complies with all relevant laws and regulations in relation to our businesses, including construction, health and safety, working conditions, employment and environment which has a significant impact on the Group. The Group understands that a better future depends on the participation and contribution of all stakeholders, and thus it encourages employees, customers, suppliers and other stakeholders to participate in environmental and social activities that benefit the entire community.



The Group's stakeholders are broad, including shareholders/investors, government/regulators, employees, clients, suppliers/partners, and communities/public. Through a variety of formal and informal communication methods and opinions collection, we can fully understand the opinions and expectations of stakeholders on the sustainable development of the Group, put social responsibility into practice, balance the interests of the Group and its stakeholders, and identify issues of concerns to stakeholders and topics that have significant impact on the Group.

Key Stakeholders

Communication Methods

Internal stakeholders	Board of Directors, Senior manager and Employees	Questionnaires Employee mailbox Employee performance evaluations Employee meetings and trainings Employee activities (including lectures)
External stakeholders	Shareholders	Corporate financial reporting and data release Shareholders' meetings Investor relations communication Official website
	Clients	Customer service hotline Product label Industry exhibitions Regular meetings Social media communications E-mail Daily business operations
	Government and regulatory agencies	Regular communications Legal compliance reports Regular field trips Policy documents Response and consultations Meetings and seminars
	Suppliers	Questionnaires Regular meetings Industrial seminars Daily business communications Review and evaluations Field trips Social network communications Public biddings
	Industry Association	Regular exchange Participation in industry association affairs
	Community	Community culture building Community services Sponsoring charity events Helping vulnerable groups Volunteer activities Charity events

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the course of business management of the Group, the participation of stakeholders is an important part which helps the Group to examine potential risks and business opportunities. Communicating with stakeholders and understanding their views can bring the Group's business practices closer to their needs and expectations, and properly manage the opinions of different stakeholders.

The Group continues to improve and welcomes stakeholders to provide valuable feedback through the Group's official website <http://www.ming-fa.com>.

ENVIRONMENTAL CATEGORIES

Business sustainability

Under the background of China's stable economic growth, the Group will continue to leverage its solid foundation in China through the implementation of various business development strategies and make good use of its existing resources and networks, incorporate business sustainability into our businesses, and develop commercial and residential properties and operate hotels subject to the major premise of environmental protection. Under the leadership of our experienced and dedicated management team, the Group will continue to implement various environmental protection measures, actively participate in various environmental protection activities, and pay attention to global warming issues in order to maintain growth and achieve better returns.

The Group promotes environmental awareness programs to encourage different stakeholders in the community to work together in order to create a better environment. The following contents describe the environmental conservation measures implemented by the Group in terms of gas emissions, waste management, use and protection of resources, environmental impacts and natural resources.

During the reporting year, the Group strictly abides by the environmental laws and regulations of China, including but not limited to the "Environmental Protection Law of the People's Republic of China", "Environmental Impact Assessment Law of the People's Republic of China", "Water Pollution Prevention and Control Law of the People's Republic of China" and "Environmental Protection Law on Solid Wastes Pollution of the People's Republic of China".

A1 Emissions

Property Development

The Group's major emissions in China and Hong Kong are, among others, electricity, sewage, construction wastes, solid dust, noise and waste gases from transportation. Continuous reduction of gas emission and energy conservation are both elements valued by the Group, which has endeavored to completely and effectively put into practice for the purpose of confronting global warming.

As the pioneer among environmental protection enterprises, the Group proactively pursues the culture of "outstanding and effective" use of natural resources, and places emphasis on policies concerning energy conservation and carbon reduction in respect of, among others, electricity, water, paper, petrol and non-hazardous wastes. Through the above, the Group aims to guide its staff to uphold the excellent tradition. The Group continues to identify effective and sustainable practices in the course of business operation for protection and better utilization of resources.

During the reporting year, the Group's waste gas emission was 1,084,038.6 g sulfur oxide (SO_x) (2024: 1,676,914.5 g), 1,445,384.8 g nitrogen oxides (NO_x) (2024: 2,235,888.6 g) and 40,470,774.8 kg carbon dioxide (2024: 62,604,892.4 kg), with a density of 13,535.4 kg carbon dioxide equivalent/person (2024: 18,511.2 kg/person).



The Group continuously reviews its ongoing environmental-friendly and energy conservation measures and optimizes the respective policies. The Group's average carbon dioxide production volume per capita decreased by 26.9% from last year.

For transportation: The major air pollutants emitted from the operation premises of the Group include nitrogen oxides (NOx), sulfur oxide (SOx) and respirable suspended particulates (RSP), which are originated from vehicle emissions, cements and construction.

During the reporting year, data on vehicle emissions was as below:

Total vehicle travel distance: 6,080,160 km (2024: 6,765,120 km)

Total vehicle fuel consumption: 681,792 L (2024: 757,248 L)

Total vehicle nitrogen oxides (NOx) emission: 443,164.8 g (2024: 492,211.2 g)

Total vehicle sulfur oxide (SOx) emission: 13,635.8 g (2024: 15,145 g)

Total vehicle respirable suspended particulates (RSP) emission: 34,089.6 g (2024: 37,862.4 g)

For electricity, water supply, sewage treatment and communications: Greenhouse gases emission from "indirect energy source" incurred by the Group during the reporting year was mainly from usage of equipment, operations, sewage treatment and energy consumption arising from outsourced activities. The Group immerses the concepts of energy conservation and emission reduction in our operations and management, while puts those concepts into practice in daily acts for contributing to carbon emission reduction. Further to the abovementioned, to effectively utilize electricity, the Group insists on reducing energy and sewage consumption to the minimum level for sustainable development by participating in environmental protection activities to reduce carbon emission, such as saving water, transporting sewage to local sewage treatment plants, taking part in Earth Hour and replacing long- and short-haul trips by online meetings for our staff.

Energy consumption during the reporting year was 35,600,611.2 kWh (2024: 55,897,225.6 kWh).

For hazardous wastes: The Group did not produce any hazardous wastes during the reporting year.

For non-hazardous solid wastes: The Group's solid wastes are mainly construction wastes and non-hazardous domestic wastes from daily operations. The Group has separated refuse collection points in place for separation and collection of construction wastes and domestic wastes. For kitchen wastes from hotels and restaurants, specialized separation, collection and treatment are conducted and then collected and handled by governmental hygiene authorities to alleviate burdens on the environment. The Group's construction wastes from property development are also properly handled and collected and treated by specialized construction wastes collectors. The Group has established targets for emission reduction and conducts more stringent separation and recycling for domestic wastes, while regularly recycles solid wastes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For solid dust and noise: The Group may produce dust and noise in the course of property development. To reduce the impact of dust and noise on the surrounding environment of property development sites, the Group has implemented a series of measures to alleviate the impact on the environment, including but not limited to setting up pools in construction site to prevent vehicles from bringing dust and sludge outside, regularly cleaning the access to construction sites and building temporary walls in the site boundary to prevent dust, noise and sludge from affecting the surroundings. The Group has also avoided noisy mechanical operation at night time for construction in accordance with local laws. A large number of sound insulation and elimination equipment are employed to reduce the impact of noise on the surrounding environment.

For sewage: The Group may produce sewage in the course of property development, which is mainly industrial sewage produced in the course of property development. Prior to emitting to municipal drainage, industrial sewage undergoes sedimentation for filtering impurities before recycling. To more effectively prevent external emission of muddy water, the Group has muddy water treatment equipment in place to reduce muddy water emission and adopt measures on saving water and reducing emission. Such acts reduce the impact on the environment.

For greenhouse gases: The Group mainly emits three kinds of greenhouse gases, including carbon dioxide, hydrofluorocarbons and perfluorocarbons. The Group understands the correlation between greenhouse gases emission and global warming. Greenhouse gases produced by the Group during the reporting year were mainly emitted directly or indirectly from operating activities, including but not limited to carbon dioxide produced from vehicle fuels, hydrofluorocarbons and perfluorocarbons emitted from air conditioners as well as indirect carbon dioxide emission from cements production and internal energy consumption. The Group immerses the concepts of energy conservation and emission reduction in our operations and management, while puts those concepts into practice in daily acts for contributing to carbon emission reduction. Since greenhouse gases emission is closely related to energy usage, the Group has implemented various energy conservation measures to reduce energy consumption. The Group also plants trees to transform carbon dioxide into biomass via assimilation.

During the reporting year, the Group had planted 160,000 (2024: 151,000) new types of trees, reducing carbon dioxide (CO₂) by 3,680,000 kg (2024: 3,473,000 kg).

During the reporting year, the Group's total greenhouse gases emission was 38,569.3 tons (2024: 60,558.4 tons).

Hotel Operations

The Group's emissions from hotel business mainly originates from sewage, refuse and gases from daily operations.

For waste gases: Gas cooking appliances used in kitchens in hotels' daily operations consume gases. Besides, electricity consumption in hotels also indirectly emits greenhouse gases. Air emission from the Group's hotel business is mainly carbon dioxide.

For waste oil: Waste oil from the Group's hotel operations is mainly from waste cooking oil from the kitchens of hotel restaurants. The Group implements centralized collection and separation, and transports to cooking oil collection plants for recycling and treatment.



For sewage: Daily sewage produced by the Group's hotel operations passes through municipal drainage to local sewage collection plants for treatment to alleviate the impact on the environment.

For solid wastes: Daily solid wastes produced by the Group's hotel operations are mainly from kitchen wastes and daily refuse produced by hotel customers. Hotels under the Group implement centralized collection and separation, and daily refuse of hotels are then collected by refuse separation and collection companies. The Group advocates environmental protection and proactively utilizes recyclable materials (including but not limited to recyclable soaps, tissues and packaging materials), thereby reducing the consumption of disposable goods.

Office

The Group's emission from offices is mainly from waste gases, sewage, greenhouse gases and solid wastes from daily operations.

For waste gases: Indirect greenhouse gases emission is mainly produced from electricity consumed by the Group's office, including carbon dioxide emission, as well as carbon dioxide included in the waste gases produced by vehicles under operations. The Group has formulated a series of measures on energy conservation to reduce electricity and carbon dioxide in daily operations, including but not limited to sensor-activated lighting system, avoiding unnecessary travel and online meeting.

For sewage: Daily sewage from the Group's offices is mainly from the use of water by employees in their daily work. The Group often reminds our staff to save water via means such as posting notices and emails. Daily sewage is transferred to local sewage collection plants for treatment via municipal drainage to alleviate the impact on the environment.

For solid wastes: The Group's daily solid wastes of offices are mainly produced from our staff. The Group has refuse separation and collection bins in offices to separate recyclable and non-recyclable refuse. Refuse separation and treatment companies collect daily refuse collected from offices for separation and treatment, and recyclable refuse are recycled.

The Group has complied with relevant laws and regulations, including but not limited to the "Environmental Protection Law of the PRC" (《中華人民共和國環境保護法》), the "Prevention and Control of Water Pollution Law of the PRC" (《中華人民共和國水污染防治法》), the "Prevention and Control of Solid Wastes Pollution Law of the PRC" (《中華人民共和國固體廢物污染環境防治法》), the "Prevention and Control of Atmospheric Pollution Law of the PRC" (《中華人民共和國大氣污染防治法》) and the "Prevention and Control of Noise Pollution Law of the PRC" (《中華人民共和國環境噪聲污染防治法》).

The Board is responsible for reviewing and assessing the Group's emission efficiency for greenhouse gases, waste oil, sewage and solid wastes, and considers that the prevailing policies are appropriate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A2 Use of Resources

The resources the Group uses during the reporting year primarily include water, electricity, paper, construction materials and complimentary hotel daily toiletries. The Group has endeavoured to reduce its waste production and emissions and chosen to reuse or recycle waste, in order to reduce the consumption of light, water, heat, fuel, electricity and more to protect environment proactively.

On the other hand, the Group has been advocating waste reduction, water saving and electricity saving amongst its employees and has established a series of measures encouraging the staff to put the mentioned into place. The measures include but are not limited to work and communication by emails and e-documents, promotion of a paperless office which requires staff to print, except official documents, internal circulating documents with recycle papers and establishment of different types of recycle bin to collect recyclable non-hazardous wastes.

The Group strives to lessen unnecessary solid wastes and unused materials or unrecyclable materials and transport wastes to local licensed waste treatment company to proceed professional treatment services.

Electricity Consumption

During the operations of the Group's hotels and offices and the process of its construction projects, it conserves and recycles energy. The Group also places high value on electricity consumption, prompting the use of energy saving lightings within its property projects and hotels as well as using the natural light source as possible to save energy.

The Group has adopted the following measures to conserve energy:

1. Set up the temperature of air-conditioning system to 25.5°C and switch off air conditioners not in use
2. Reduce the use of lightings in areas with sufficient natural light source
3. Install automatic light sensors for the lighting system
4. Require the staff to turn off all electrical appliances under sleep mode
5. Post notices highlighting energy saving as a reminder to the staff of the Group
6. Clean and maintain appliances regularly to manage its electricity consumption
7. Select equipment lower in electricity consumption
8. Switch off printers, fax machines, computers and lights that are not in use
9. Replace current lightings with LED energy saving lightings
10. Install sun shading to keep the efficiency of air conditioning

Electricity consumption during the reporting year was 35,600,611.2 kWh (2024: 55,897,225.6 kWh).

**Water Consumption**

No issues in relation to the obtaining of water supply of the Group are identified. The Group often reminds and encourages its staff to save water and reduce water consumption during the business operation procedures. During the reporting year, the Group consumed water totaling 515,492.5 m³ with a density approximate 172.4 m³/person (2024: consumed water totaling 888,769.2 m³ with a density approximate 262.8 m³/person).

The Group saves water to help ensure the quality of clean water provided in its operating regions or to the residents in community. Enhancing the efficacy of water resources, the Group adopts the following internal monitoring policies and measures in both public and private water supply facilities, in order to save water:

1. Present water-saving notices in prominent places to encourage staff of the Group to value water
2. Conduct regular check and maintenance on water supply system
3. Undergo regular test on water taps and daily water supply facilities to prevent leakage
4. Provide the staff with water saving education regularly
5. Spread the necessity of water saving principles in daily operations among staff
6. Install water saving devices for water taps
7. Install energy saving devices for toilet tanks
8. Control the water pressure and slow down the speed of water flow within pipes

Water consumption during the reporting year was 515,492.5 m³ (2024: 888,769.2 m³).

Packaging Materials

No packaging materials were used by the Group during the year under review.

During the year under review, the Group has no non-compliance with environmental laws and regulations in relation to waste production and emissions.

A3 The Environmental Impact and Natural Resources

As a well-known enterprise in the real estate industry of China, the Group is committed to the development of its business and environmental conservation, maximizing benefits while minimizing the impact on the natural environment. The management of the Group also attaches great importance to the environmental impact of its business activities, ensuring that all the decisions made are in compliance with the legal and regulatory requirements of the PRC government. In addition, the senior management will also issue guidelines to guide employees for implementation and encourage them to provide opinions on improvement before releasing each business decision, thereby enhancing the Company's transparency and jointly implementing appropriate environmental conservation.

The Group recognizes the limitations on natural resources. The Group works towards the goal of conserving energy and increasing the greening ratio to enhance green ambiance with measures such as installing energy saving equipments to lower emissions. For the property and hotel projects, the Group reduces unnecessary decorations and the use of unrecyclable materials as well as the addition of energy saving equipment to further lower the emissions. The Group also ensures the green area of its property projects are up to standard by organizing greening eco-activities with staff on a regular basis to contribute towards nature conservancy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group endeavours to diminish the impact on environment by adopting various green measures such as efficient use of resources, reduction of carbon emissions, energy conservation and emission reduction, waste management and pollution prevention.

The Group strives to implement good environmental practices and enhance the contributions to environmental sustainability through sustainable development initiatives, review our business practices regularly to evaluate if energy is used effectively, make known to the suppliers our expectations on responsibilities and sustainable sourcing and manufacturing, reduce the use of printing papers and adopt different energy saving measures such as using LED lights.

For the hotel management business, the Group proactively promotes the sustainable philosophy to its customers and encourages them to replace shark fin soup or consumptions of other endangered species with other innovative delicacies.

The Group continues to protect the environment and reduce any possible impact of business operations on the environment. The Group established procedures for identifying and evaluating environmental factors to ensure that important environmental factors receive necessary attention and effective control to reduce the adverse impact on the environment. When carrying out certain construction projects, the Group will submit environmental impact report to the environmental department, which involves assessing possible pollution in the production and construction process and the feasibility of control measures, in accordance with the provisions of China's environmental laws and regulations.

During the reporting year, the Group was not aware of any significant impact of activities on the environment and natural resources, and was not aware of any material non-compliance with relevant laws and regulations relating to air and greenhouse gas emissions pollution, water pollution, and the generation of hazardous and non-hazardous waste that have significant impact on the Group.

SOCIAL CATEGORIES

B1 Employment and Labour Practice

Employees are often considered as the most valuable resource of the Group, they therefore are entitled to social insurance, medical insurance, annual leave, sick leave, marital leave, maternity leave, compensatory leave, compassionate leave and medical check-up leave in both China and Hong Kong. In addition, our Group has been placing prior concerns on the safety of staff as we believe they are one of our valuable assets to ensure human resources can be developed sustainably. We respect employees and enter into employment contracts with them entitling the rights set out in the related labour laws to attract more talents.

Our Group respects all employees and assure that their chances of employment, training, screening and promotion will be fair and free from their race, religion, colours, gender, nationality, age, marital status, pregnancy, family condition or other physical conditions. Consolidating the sense of belonging and loyalty of the staff to the Company, the Group established and implemented the evaluation and reward system for its employees. Employees in different positions are assessed regularly by relevant aspects from their performances, attitudes, abilities to disciplines and accountabilities or comments from supervisors, to conduct periodic assessments over all staff. The Group rewards appropriate incentives to and promotes employees with outstanding performance.



Our Group strictly prohibits unreasonable and unfair dismissal. We also forbid every harassment or harmful behaviours. According to equal opportunities policy, any matters involving discrimination is monitored by the human resources department, and to ensure the Group has complied with related national and local laws and regulations.

During the year under review, the Group was in strict compliance with employment laws and regulations of the PRC and Hong Kong, which include but are not limited to the following laws:

- Labor Law of the People's Republic of China
- Employment Promotion Law of the People's Republic of China
- Labor Contract Law of the People's Republic of China
- The Social Insurance Law of the People's Republic of China
- Employment Ordinance (Chapter 57 of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)
- The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)
- Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong)
- Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong)

The Group's human resources department will also assess the remunerations of its staff regularly to the industry standard to ensure employees with different job positions are entitled to corresponding remuneration. Relevant remuneration adjustments are also made regularly for the Group's remuneration policy based on the assessment, with the aim to building a healthy development for the Company and negotiate for employees a better remuneration package. Before public recruitment opens, the Group recognises it is essential to retain talents for a healthy development for the Group's business. The Group formulates annual recruitment plan to recruit new employees according to a "fair, open, equal" principle through the Internet, job fair and employment agency and attract talents with competitive and fair remuneration and benefit packages.

To safeguard the freedom the staff can enjoy, any resignation or transferring within the Group is subject to a one-month notice to the applicants' supervisors in writing. Management personnel will meet the relevant staff to discuss the transferring matters or resignation agreement and deliver to human resources department for review and final decisions. All appointment, promotion or termination of contracts is prevailed upon employment contracts and related employment laws.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strives to refine the internal policies by setting up a reward and punishment system of attendance hours, attendance hours of employees and remuneration structure are strictly monitored by human resources department, who shall appraise staff based on their working performance and ability on a regular basis, and to adjust their salaries and determine position rotation using the assessed performances as the basis. To award well performing staff, the Group reviews their remuneration by annual surplus, market positioning, staff performances and other factors in accordance with the “fair, open, equal” principle as well as offering them promoting opportunities.

To enhance the sense of belonging of employees, the Group has planned to provide them with various benefits including annual body check-up, rich festive gifts and more. Management collects the opinions and complaints from staff through trainings, staff manual, emails and meetings. By building an effective communication system, the Group is committed to provide fair opportunities to staff, create a workplace with fair competition, mutual respect and healthy promotion, wishing every staff can be respected and receive care, and guarantee the management of the Group can hear the voices of the grass-roots and strengthen the cohesion among all staff within the Group.

The Group has been strictly complied with the labour laws and related laws and regulations of the PRC and Hong Kong, to provide employees in mainland China with 5 national statutory insurances, which include basic pension, basic medical insurance, work injury insurance, maternity insurance and unemployment insurance, and housing provident fund to ensure that it provides employees with legal and reasonable remunerations and benefits, effectively prevents the employment of child labour and offers humane and equitable treatment to employees.

During the year under review, the Group had no non-compliance with relevant laws that have significant impact on the Group in relation to employees’ safety, working hours and holidays. No material accidents are recorded during the business operations of the Group and no material injuries and death are recorded in construction sites during the year under review.

The board of directors of the Group will monitor and assess the rights, benefits and welfare of its employees to prevent unfair or unreasonable dismissal and will consider adopting appropriate policies.

B2 Employees’ Health and Working Environment Safety

The Group commits to build a safe, healthy and comfortable environment for its staff. We take employees’ safety as our prior concern, conform to safety procedures involved in regular checks, safeguard employees’ health and safety. We also act together with each relevant laws and regulations of mainland China and Hong Kong such as Production Safety Law of the People’s Republic of China, Code of Occupational Disease Prevention of the People’s Republic of China, Occupational Safety and Health Ordinance, Regulation on Work-Related Injury Insurances and other occupational safety and health policies.

Providing a safe, healthy and suitable daily working environment plays an important role to improve staff occupational health and working efficiency within the Group. We offer them suitable office furniture and equipment, prohibit drinking alcohol in workplace as well as advocating regular body check-ups within staff to ensure their occupational health. The Group also performs routine check-ups on fire protection system, first aid equipment and fire-fighting facilities, conducts fire drills yearly, and provides occupational health and safety trainings to our staff. The Group also requires to ensure the emergency exits are kept cleared, first aid equipment are effective and employees are provided with relevant emergency coping trainings. In addition, environmental protection and workplace safety officer is also appointed by our Group to conduct regular check to assure workplace safety for our staff.



The Group highly concerns occupational diseases prevention works by the formulation of policies to safeguard staff's safety, provision of preventive measures and personal equipment of work-related diseases for staff to raise their awareness of preventing work-related diseases. Any violations against Prevention and Control of Occupational Diseases Law or behaviours causing fatal safety will be penalised. For workers provided with specific work training, duties shall not be assigned before obtaining specific work permits while all workers shall be equipped with safety shoes, safety helmets and reflective vests. Staff within the Group will undergo assessments and trainings, safety drills, hygienic education and services such as occupational check and occupational disease therapy.

During the year under review, the Group was not aware of any violation of laws and regulations that have a significant impact on the Group relating to employees' health and working environment safety. Nor did we identify any incidents relating to work injuries and negative issues highlighting occupational health and safety.

B3 Human Resources Development and Trainings

The Group considers employees as the most valuable asset of a company and believes they are the key to the sustainability of business development. The Group persists the development philosophy of human-oriented management, of which internal promotion is the priority ahead of external recruitment for candidates best fit for our business criteria, training courses are provided for staff in different job positions with professional mentoring, to ensure the expertise of internal staff can be enhanced, and the Board reviews annually. We have created an environment within the Group allowing our staff to realise their full potentials and contribute skills and experiences to the Group's long-term development.

The Group considers upgrading the quality of all employees and the corporate image the best driving force for trainings. It provides the staff with a comprehensive development path. To ensure the needs of corporate expansion, intelligent recruitment drives the Group to develop comprehensively. The Group endeavours to provide assistance to new employees to adapt to our corporate culture by providing related corporate cultural rules and regulations and specific duty skills trainings before holding any office. Meanwhile, the Group also organizes various training courses for staff from each department, of which the content includes occupational safety, emergency management, overhead works, handling of highly explosive goods, risk management, storage, emergency coping, complaints and follow-ups.

Our staff are encouraged to pursue personal goals by joining external trainings and assessments, to consolidate expertise and knowledge to balance their mental and physical development so as to achieve mutual growth and improvement with the Group.

B4 Labour Standards

Forbidding Discrimination and Illegal Labour

For the recruitment, training and development policies of the Group, all forms of child and force labour are strictly forbidden. Employees will not be discriminated against in any forms or deprived of opportunities on the basis of gender, race, background, religion, colour, sex orientation, age, marital status, family condition, resignation reason, disabilities or pregnancy. During the recruitment process, the Group will conduct full background screening of the potential employees and verify the details of the related candidates to confirm their identity and make sure the applicants, before employed, are in compliance with laws. In the event that any child or illegal labour are discovered, the Group will immediately proceed to enforcement departments. In addition, the Group will not force employees to work overtime.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is in compliance with the labour laws of Hong Kong and Special Protection for Female and Juvenile Workers (女職工和未成年工特殊保護), Chapter VII, and the Labour Law of the PRC and Provisions on the Prohibition against the Use of Child Labour (State Council Order No. 364) (禁止使用童工規定(國務院令第364號)). During the reporting year, the Group had no non-compliance with laws and regulations in relation to child labour and force labour, which include but not limited to Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Labour Code, Labour Law of the People's Republic of China, Regulations about Forbidding From the Use of Child Laborers of the People's Republic of China and Law of the People's Republic of China on the Protection of Minors.

During the year under review, no child labour or illegal labour recruitment of the Group was recorded in its operations.

Employee Profile

	2025		2024	
Total Workforce	2,990		3,382	
Gender				
Male	1,580	52.8%	1,736	51.3%
Female	1,410	47.2%	1,646	48.7%
Age				
Under 25 years old	571	19.1%	524	15.5%
25–30 years old	645	21.6%	654	19.3%
31–35 years old	552	18.5%	693	20.5%
36–40 years old	487	16.3%	607	17.9%
41–50 years old	509	17.0%	618	18.3%
Above 50 years old	226	7.5%	286	8.5%
Education Background				
Tertiary education	2,016	67.4%	2,216	65.5%
Bachelor degree	952	31.9%	1,135	33.6%
Master degree or above	22	0.7%	31	0.9%
Years of Service				
Less than 1 year	455	15.2%	328	9.7%
1–3 years	1,203	40.2%	1,455	43.0%
3–5 years	564	18.9%	621	18.4%
Over 5 years	768	25.7%	978	28.9%
Employee Category Function				
Senior management	112	3.8%	143	4.2%
Administration	1,050	35.1%	1,008	29.8%
Finance Department	191	6.4%	257	7.6%
Engineering Department	280	9.4%	431	12.8%
Supervision and Audit Department	37	1.2%	41	1.2%
Bidding and Purchasing Department	4	0.1%	15	0.5%
Operation Department	145	4.8%	211	6.2%
Hotel Management Department	1,171	39.2%	1,276	37.7%

**B5 Supplier and Supply Chain Management*****Property Construction and Sales***

The Group adopts the invitation to bid when screening suppliers. In the open tendering, the Group clearly sets out the requirements for suppliers in accordance with relevant national and/or local market norms and standards. The Group is committed to maintaining a healthy and sustainable relationship with its suppliers to continuously improve efficiency and control costs.

In order to achieve stability in supply chain management, the Group completed a comprehensive management innovation in the tender procurement business and successfully established industry benchmarks during the reporting year through the tender procurement platform, (including supplier management, supplier services, source identification and procurement execution) along with the control and service system. To ensure price and quality, the company screens qualified bidders (suppliers are required to provide business licenses, quality certificates, safety production licenses, integrity manuals and certificates of relevant personnel prior to bidding), evaluate quality and price, equipment and management conditions to determine if the contractor's reputation and technical capabilities meet the standards and specifications required for various development projects, and then enter into mutually beneficial contracts with suppliers to ensure price guarantees and quality stability.

In addition, the project company works closely with selected contractors during the implementation of the development plan and closely monitors the construction. The designated supervisory agents supervise outsourcing companies (contractors) in the purchase of building materials and services, selects responsible suppliers, including those with good brand reputation in environmental and social aspects, in order to let business be legally compliant along with the desire to implement environmental protection in the supply chain of the Group's business and submit regular monitoring reports. Random inspections are conducted regularly to monitor the quality of the project and the completion schedule for cost control.

Supplier Management

The Group is committed to maintaining a good working relationship with its suppliers in the following areas:

1. Service quality, value and safety of the product
2. All products and services complying with the law
3. Committed to contract spirit
4. Reciprocal business policies for suppliers and contractors

Employees of the Group have extensive experience in the industry. Besides making full use of their in-house knowledge, they also boost performance of internal staff and suppliers through periodic assessment reports.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Hotel Operations

The suppliers used in daily operations of the Group's hotels are subject to the Group's rigorous standard screening, and the Group has an independent procurement department for the procurement of day-to-day materials for operations, including but not limited to food, beverages and room supplies, in accordance with the needs of each department and it selects suppliers for the Group's hotels through industry standards in which suppliers are required to provide products that meet the requirements of national safety regulations, chemical cosmetic suppliers must comply with relevant environmental protection regulations and food suppliers must comply with the food safety requirements of the relevant government departments. The Group conducts a sample survey of all its hotels as one of the conditions for its assessment of suppliers. Suppliers are required to submit licenses and certifications (e.g. product inspection testing, chemical production license, sanitary permits, etc.) before ensuring that they meet the requirements of all the Group's hotels.

The Group's hotels will also assess potential suppliers in terms of environmental and social risk factors, supplier reputation, credit, competence and etc., and suppliers that fail to meet the criteria will not be considered. Three or more suppliers will participate in the tendering for the products used by the Group's hotels, to ensure that the suppliers supply related materials under the premise of fairness, openness and equality. The Group also negotiates amicably with the suppliers and reaches a consensus to abide by the rights and obligations of both parties.

The Group conducts annual assessments for suppliers and establishes guidelines in accordance with relevant laws and regulations to reduce environmental and social impacts.

B6 Product Responsibility and Safety

Property Development and Sales

As a well-known enterprise in the real estate industry of China, the Group's business activities are widely subject to the PRC government policies and other laws and regulations. The property development and sales business strictly abides by the relevant laws and regulations of China, including but not limited to:

- The Fire Control Law of the People's Republic of China
- The Construction Law of the People's Republic of China
- Administrative Regulations on the Work Safety of Construction Projects
- Law on Protection of Consumer Rights and Interests of the People's Republic of China
- The Intellectual Property Law of the People's Republic of China
- Advertising Law of the People's Republic of China
- Regulatory Measures on the Sale of Commodity Buildings

During the process of housing sales, we follow the above-mentioned laws and develop internal codes to protect and refrain from defrauding consumers. The Group has established auditing standards for advertising and sales promotion materials, requiring using real data and prohibiting false and incorrect presentations in advertisements and sales promotion. Consultation or legal means will be adopted in case of any violation of relevant laws and regulations.



During the process of property development, the Group has set clear targets in its projects and product quality and formulates corresponding technical standards and construction plans. The safety and quality are monitored by qualified authorized persons, aiming to provide quality housing and service to its customers. The project company regularly checks the construction progress, safety and management during construction and operation, to inform the headquarters of the Group of any public emergency or work-related injury, and is responsible for arranging contingency plans and all construction site management to ensure that the conditions meet the requirements set out in the contract.

To safeguard the health and safety of its employees, the Group provides employee insurance for all employees. Responsible officer of project company performs regular inspections on the quality of the construction and evaluates the contractor's work. The safety and quality of the Group's properties at different stages of construction are strictly monitored and safety assessment are implemented in terms of crisis management, fire service facility management, fire exit management, regulatory records, building materials monitoring, construction site inspection and supervision, fire training, fire drills and routine contingency plan records and progress, to ensure the compliance with standards and regulations. As for the safety and health of the Group's employees, it is required to obtain the consent from the engineering department head and wear suitable safety equipment (e.g. helmets, safety shoes and reflective vests) before entering and leaving the site. The Group also purchases appropriate insurance and provides safety training for engineering projects.

Hotel Operations

The Group's hotel operations strictly abide by the relevant hotel laws and regulations of China. The central air conditioning system is regularly maintained and cleaned to guarantee the air quality of the hotels. Inspection and procedural standards are implemented in accordance with the Group's internal operating instructions.

The Group's hotel operations are customer-oriented, listening carefully to the needs of customers, establishing a complaint mechanism for customers, and actively communicating with customers through various channels. When receiving customers' complaints, the hotel lobby manager will immediately accept and handle them, and reflect the same to the relevant department to make improvements and report to the supervisors. In addition, annual questionnaires about customer satisfaction are available in the Group's hotels in order to collect customers' opinions, and to improve the performance of its employees through analysis and research. The satisfaction level and opinion collected in customer survey will be treated as the blueprint for the Group's hotels' future development, and to enhance the efficacy of service quality, environmental protection and occupational safety and strengthen the safety awareness and responsibility of its employees.

The Group prohibits any false and exaggerated marketing in the property sales and hotel operations. Any marketing advertisements of the Group are inspected by the broadcasting department before they are launched. The Group strictly abides by the Intellectual Property Law of the People's Republic of China while closely monitoring the authenticity of the advertisements and protecting intellectual property rights and the interests of the Group. The Group strictly abides by the Protection Law of the Consumer Rights and Interests of the People's Republic of China and respects the customers' privacy. The Group strictly prohibits employees from providing customer information to third parties. All customer information is also kept confidential. The information technology department also has a firewall to prevent privacy leakage.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has a comprehensive monitoring mechanism and information security system to prevent data leakage and loss, including but not limited to:

1. Hotel guest's check-in data is kept in the central database of the hotel computer and kept confidential
2. Hotel guest's room number will not be leaked until the hotel guest's consent is obtained
3. Hotel staff are required to sign a confidentiality agreement
4. Sensitive data of hotel guests can only be read by the manager level or above
5. Guest's privacy will not be leaked (including name, company, accounts, payment information, etc.)
6. Information of the employees who access the guest information is recorded

B7 Anti-corruption

The Group strictly abides by the anti-corruption and bribery laws in the PRC and Hong Kong, including but not limited to the Anti-Money Laundering Law of the People's Republic of China and the Prevention of Bribery Ordinance of Hong Kong. Misconduct and wrongdoing may include but are not limited to the following acts:

- 1: Dishonesty
- 2: Fraud
- 3: Corruption
- 4: Illegal conduct (including bribery, theft, kickbacks, drug trafficking/drug use, use of violence or threats and criminal damage to property)
- 5: Violation of laws or rules
- 6: Unethical behavior and transactions
- 7: Other serious misconduct (including serious mismanagement, serious and significant waste or repeated violations of administrative procedures)
- 8: Serious rule-breaking
- 9: All actions that may result in financial or non-financial losses to the Group or any other related conduct



All employees, officers and directors of the Group abide by the relevant anti-corruption laws in Hong Kong and the PRC, and have zero tolerance for corruption. According to the reporting mechanism, employees are encouraged to report any inappropriate acts directly to our manager or above by fax, letter, email, etc., to enhance their awareness of integrity. The Group adopts a confidential mechanism to protect whistle-blowers from threats and adverse event, and to ensure the integrity of reported information. The Group has established a system whereby all employees are required to be honest, self-disciplined, and shall not engage in any bribery activities, or use their duties to conduct any activities that harm the interests of the Group. The Group regularly educates key employees on integrity to enhance their self-discipline. During the reporting year, no employees of the Group received any reports or complaints.

The Board of Directors of the Group will conduct an internal investigation into any suspected or illegal acts suspected of bribery, extortion, fraud, and money laundering to protect the interests of the Group, and the employees suspected of committing crimes shall be submitted to the relevant regulatory authorities or law enforcement agencies in accordance with the findings of the investigation when the management deems necessary. Heads of departments shall promptly take emergency measures to combat corruption.

During the year under review, the Group has not recorded any relevant laws and regulations that have a significant impact on the Group in the prevention of bribery, extortion, fraud and money laundering.

Reporting Platform

The Group has established a comprehensive monitoring mechanism to fully achieved anticorruption work through the establishment of a transparent reporting platform with the establishment of complaint letters, on-site knowledge and reporting, internal audit, monitoring and inspection. The Company has also set up a hotline to collect clues from employees, stakeholders or all other organizations that are intended to report to the Company and its subsidiaries.

The board of directors is responsible for monitoring and assessing the Group's effectiveness in preventing corruption to develop a clean, harmonious and sound anti-corruption mechanism and considers that the current policy is appropriate.

B8 Community Investment and Participation

The Group understands that participating in community investment can not only benefit shareholders, but also take social responsibility and give back to the community, the Group encourage and promote the integration of employees into the well-being of the local community and other activities. During the reporting year, the Group actively encouraged its employees to participate in charity run and other volunteer activities to raise demands and interest awareness of the local community. The Group also organizes regular activities for local children and parents and charitable donations to educational institutions, as well as actively fund various charitable projects such as disaster relief, poverty alleviation and care for the elderly.

Through its community activities, the Group is committed to supporting and encouraging the management of our major business locations and production sites in China. In order to build a better local community, the Group reviews its established policies and plans from time to time to better understand the needs and resources types of the surrounding communities, and will also donate to support various community activities and fulfill its social responsibilities.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. NG Man Fung Walter (伍文峯), aged 58, was appointed as an Executive Director on 23 April 2020 and one of the two authorised representatives of the Company in Hong Kong. Mr. NG graduated with a Bachelor of Economics from University of Oregon. He has over 30 years of experience in the financial market and business administration. Mr. Ng has attained extensive management experience in addition to his finance function within various organisations. The total number of employees in each of these organisations varies from 50 to over 10,000 who are located in major cities in China.

Prior to joining the Company, the responsibilities of Mr. Ng covered a wide spectrum of aspects including (i) monitoring subsidiaries' performance and financial budgeting; (ii) formulating management reporting system for different operation units in order to strengthen internal control from implementation to execution and monitoring; (iii) setting up and leading project specific groups for different lines of business during initial investment or development stages to ensure sound operating efficiency and to allocate financial resources in an efficient manner. Mr. Ng is an independent non-executive director of Capital Industrial Financial Services Group Limited (stock code: 730), which is listed on the Stock Exchange.

Ms. SHANG Xuan (尚軒), aged 41, was appointed as an Executive Director on 2 October 2024. Ms. Shang has over 15 years of experience in real estate sector in PRC. She joined the Group in August 2017 as a deputy general manager of the asset management centre at the headquarters and was promoted to general manager in July 2020. Since July 2023, Ms. Shang has been promoted to the vice president of the Group. From April 2013 to August 2017, Ms. Shang served various positions at Nanjing Shilin Home Decoration Plaza Company Limited*, with her last position as an assistant to the chief executive officer and was responsible for administration and property management. From March 2012 to March 2013, Ms. Shang served as an assistant to the general manager at Nanjing Huwei Human Resources Development Co., Ltd.*, where she was responsible for external relations. From August 2011 to February 2012, Ms. Shang served as a director of business operations* at Nanjing Hongyang Commercial Management Company Limited*, where she was responsible for development of the entertainment business segment. From January 2010 to July 2011, she served as the head of commercial department of the commercial management centre at Hongyang Land (Group) Company Limited*, where she was responsible for the establishment, operation and business development of the centre. From September 2007 to December 2009, she served as an investment promotion director at Jiangsu Red Sun Industrial Material City Company Limited*, where she was responsible for the preparatory work for the opening of the mall. Ms. Shang obtained an undergraduate degree in industrial design from Jiangnan University in September 2007, and was certified by the Nanjing Municipal Construction Engineering Intermediate Professional Technical Qualifications Social Assessment Committee as an Engineer in December 2017.

Mr. Huang Zhibin (黃志斌), aged 33, was appointed as an Executive Director with effect from 9 October 2025. Mr. Huang holds a Bachelor's degree in Finance from the University of Technology Sydney, Australia. He joined the Group in December 2015 as Assistant to the Director of Financing in the Treasury Department of the Group's Fujian Regional Operations Centre, where he was responsible for liaising with banks and financial institutions on financing and loan arrangements. He has accumulated extensive experience in capital operations and financing negotiations.

In December 2018, Mr. Huang was appointed as the General Manager of the Group's Fujian Regional Operations Centre, where he oversaw commercial leasing and property management. Under his leadership, the Group successfully introduced several major retail brands, optimized tenant mix, revitalized underutilized assets, and significantly improved operational efficiency and returns.



Since December 2020, Mr. Huang has served as General Manager of Xiamen Mingfa Real Estate Development Co., Ltd., where he has been responsible for strategic planning, project development, and daily operations in the Xiamen region. He has led the execution of multiple key projects, strengthening the Group's competitive position in the local market.

Prior to joining the Group, Mr. Huang served as a Customer Service Officer at the Xiamen Branch of Shanghai Pudong Development Bank, gaining practical knowledge of banking operations and client servicing.

Mr. Huang is the nephew of Ms. Chen Bihua, who is a non-executive Director and indirectly holds 83.7% of the shares of the Company through Galaxy Earnest Limited as at the date of this report. Mr. Huang is also the son of Mr. Huang Qingzhu, who is the brother of Ms. Chen's late spouse and holds 15% of Galaxy Earnest Limited as at the date of this report.

Non-Executive Directors

Dr. LAM, Lee G., BBS, JP (林家禮博士), aged 66, was (i) appointed as an independent non-executive Director on 1 September 2018, (ii) re-designated as a non-executive Director and appointed as chairman of the Board on 23 April 2020, and (iii) retired in 2020 annual general meeting of the Company and was re-appointed as a non-executive Director and chairman of the Board through an extraordinary general meeting of the Company on 4 June 2021.

Dr. Lam has extensive international experience in corporate management, strategy consulting, corporate governance, risk management, policy development and advocacy, direct investment, investment banking and asset management spheres. Dr. Lam holds a BSc in Sciences and Mathematics, an MSc in Systems Science and an MBA from the University of Ottawa in Canada, a post-graduate Diploma in Public Administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law, an LLB (Hons) in law and a LLM (Legal Practice) from Manchester Metropolitan University in the UK, an LLM (Corporate Law) from the University of Wolverhampton in the UK, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong School of Continuing and Professional Studies, an MPA and a PhD from the University of Hong Kong. Dr. Lam is a Solicitor of the High Court of Hong Kong (and formerly a member of the Hong Kong Bar). He is an Accredited Mediator of the Centre for Effective Dispute Resolution, a Fellow of Certified Management Accountants (CMA) Australia, the Hong Kong Institute of Arbitrators and the Hong Kong Institute of Directors, an international affiliate of the Hong Kong Institute of Certified Public Accountants (HKICPA), an Honorary Fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management and the University of Hong Kong School of Professional and Continuing Education, and a Distinguished Fellow of the Hong Kong Innovative Technology Development Association.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Also active in community service and international exchange and cooperation, Dr. Lam is a Hong Kong accounting advisory expert of the PRC Ministry of Finance, a member of the Consultative Committee on Guangdong Hong Kong, Co-operation (Guangzhou Nansha), Chairman of the Technology and Innovation Committee of the Belt and Road General Chamber of Commerce, Advisor to Our Hong Kong Foundation, President of InvestAI Foundation, Advisor to Hong Kong Investor Relations Association, Consultant to Hong Kong Legal Exchange Foundation, Senior Advisor to the Australian Chamber of Commerce in Hong Kong and Macau, Senior Advisor to Yesports Master Club, Honorary Advisor to Junior Achievement Hong Kong, Honorary Chairman of RWA Research Institute, Honorary President of Internet Professional Association, Founding Advisor to Hong Kong Digital Asset Society, Honorary Advisor to Hong Kong PropTech Association, Vice President of Hong Kong Real Property Federation, Chair of the United Nations ESCAP Sustainable Business Network Finance Task Force, and a member of the Board of Directors and Chairman of the Permanent Commission on Economic and Financial Issues of the World Union of Small and Medium Enterprises.

Dr. Lam is an independent non-executive director of each of RENHENG Enterprise Holdings Limited (Stock Code: 3628) and Sinohope Technology Holdings Limited (Stock Code: 1611), and a non-executive director of Mingfa Group (International) Company Limited (Stock Code: 846; he was re-designated from independent non-executive director on 23 April 2020), the shares of all of which are listed on the Stock Exchange. He is also an independent non-executive director of Pacific Resources Ltd (Stock Code: PXR, fka AustChina Holdings Limited whose shares are listed on the Australian Securities Exchange).

In the past three years, Dr. Lam was an executive director of USPACE Technology Group Limited (Stock Code: 1725, fka Hong Kong Aerospace Technology Group Limited; he was re-designated from non-executive director on 3 January 2022) up to May 2024, a non-executive director of Sunwah Kingsway Capital Holdings Limited (Stock Code: 188) and China Hong Kong Power Smart Energy Group Limited (fka China LNG Group Limited, Stock Code: 931) both up to February 2024. He was also an independent non-executive director of Mei Ah Entertainment Group Limited (Stock Code: 391) up to 30 December 2024, Hang Pin Living Technology Company Limited (Stock Code: 1682) up to October 2024, Greenland Hong Kong Holdings Limited (Stock Code: 337) up to May 2024, Kidsland International Holdings Limited (Stock Code: 2122) up to April 2024, Huarong International Financial Holdings Limited (Stock Code: 993) and CSI Properties Limited (Stock Code: 497) both up to March 2024, Vongroup Limited (Stock Code: 318), MOS House Group Limited (Stock Code: 1653) and Elife Holdings Limited (Stock Code: 223) up to February 2024 and Haitong Securities Company Limited (Stock Code: 6837; also listed on the Shanghai Stock Exchange Stock Code: 600837) up to October 2023, the shares of all of which are listed on the Stock Exchange. He was a non-executive director of Jade Road Investments Limited (Stock Code: JADE, listed on the London Securities Exchange) up to July 2024, an independent non-executive director of each of TMC Life Sciences Berhad (Stock Code: 0101, listed on the Bursa Malaysia) up to May 2023, Asia-Pacific Strategic Investments Limited (Stock Code: 5RA) up to October 2024, Thomson Medical Group Limited (Stock Code: A50) and Alset International Limited (Stock Code: 40V; re-designated from non-executive director on 2 July 2020), both up to November 2023, and Beverly JCG Ltd. (Stock Code: VFP) up to April 2023 (the shares of all of which are listed on the Singapore Exchange).

Ms. Chen Bihua (陳碧華), aged 61, was appointed as a Non-Executive Director with effect from 9 October 2025. Ms. Chen indirectly holds 83.7% of the Company through Galaxy Earnest Limited as at the date of this report and has played a key role in the Group's development since its founding in 1994. She co-founded the Group with her late spouse, Mr. Wong Wun Ming, and his brothers, and was responsible for the Company's financial operations during its early years.



From October 1994 to March 2023, Ms. Chen served as the Treasury Manager of Xiamen Mingfa Real Estate Development Company Limited in Xiamen, Fujian Province, where she was responsible for overseeing the organization's financial activities, with a focus on cash flow, liquidity, and risk management. She ensured compliance with financial regulations, forecasted cash needs, and monitored investments to support strategic decisions and maintain financial stability.

Since March 2023, she has been serving as a director of Galaxy Earnest Limited, an investment holding company which holds 83.7% interest in the Company as at the date of this report. Mr. Huang Zhibin, an Executive Director, is the nephew of Ms. Chen.

Independent Non-Executive Directors

Mr. LAU Kin Hon (劉建漢), aged 58, was appointed as an Independent Non-Executive Director on 19 March 2013. Mr. Lau Kin Hon is a practicing solicitor in Hong Kong. Mr. Lau Kin Hon received his bachelor of laws degree from University College, London, U.K. He is currently a partner of a law firm in Hong Kong.

Mr. Lau Kin Hon is an executive director of CL Group (Holdings) Limited (stock code: 8098), which is listed on the Stock Exchange.

Mr. CHU Kin Wang Peleus (朱健宏), aged 61, was appointed as an Independent Non-executive Director on 1 November 2016. Mr. Chu is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Chartered Governance Institute. Mr. Chu graduated from the University of Hong Kong with a master's degree in business administration.

Mr. Chu is currently an independent non-executive director of:

- (i) Tianli Holdings Group Limited, a company listed on the main board of the Stock Exchange (stock code: 0117) since 16 April 2007;
- (ii) Huayu Expressway Group Limited, a company listed on the main board of the Stock Exchange (stock code: 1823) since 21 May 2009;
- (iii) China First Capital Group Limited, a company listed on the main board of the Stock Exchange (stock code: 1269) since 19 October 2011;
- (iv) Madison Holdings Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8057) since 21 September 2015;
- (v) Hyfusin Group Holdings Limited, a company listed on the gem board of the Stock Exchange (stock code: 8512) since 1 December 2021.

Mr. Chu was the deputy chairman and executive director of Chinese People Holdings Company Limited (stock code: 0681) from 1 December 2008 to 30 September 2020, and was an executive director of Momentum Financial Holdings Limited (stock code: 1152) from 13 August 2021 to 25 March 2022, and from 7 February 2025 to 1 December 2025, all of which are listed on the main board of the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Chu was also an independent non-executive director of each of:

- (i) Flyke International Holdings Ltd., a company formerly listed on the main board of the Stock Exchange (stock code: 1998) from 24 February 2010 to 31 December 2020;
- (ii) Xinming China Holdings Limited, a company listed on main board of the Stock Exchange (stock code: 2699) from 16 April 2021 to 16 August 2021;
- (iii) SuperRobotics Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8176) from 5 March 2012 to 30 November 2021;
- (iv) Peking University Resources (Holdings) Company Limited, a company listed on the main board of the Stock Exchange (stock code: 618) from 8 October 2021 to 1 October 2022;
- (v) Silk Road Logistics Holdings Limited, a company listed on the Stock Exchange (stock code: 988) from 11 September 2023 to 23 April 2024.

Mr. CHAN Sing Lai (陳成禮), aged 63, was appointed as an Independent Non-Executive Director on 15 July 2019. Mr. Chan is the founder and owner of Stanley S.L. Chan & Co. Certified Public Accountants (Practising). He is also the owner of a trust company. Mr. Chan has over 30 years of experience in accounting and finance.

From September 2009 to 2011, Mr. Chan was the director and chief financial officer of Asia Pacific of Equity Trust Corporate Management (HK) Limited. From August 1994 to December 2008, Mr. Chan served in various subsidiaries of Gold Peak Industries (Holdings) Limited, a company listed on the Main Board of the Stock Exchange (stock code: 40) in various roles including general manager and director, and assistant financial controller. Mr. Chan graduated from The Hong Kong Polytechnic University with a Professional Diploma in Accountancy and received his Master of Business Administration (Executive) from the City University of Hong Kong. Mr. Chan is a fellow member of Hong Kong Institute of Certified Public Accountants and The Chartered Association of Certified Accountants.

Senior Management

Mr. POON Wing Chuen (潘永存), aged 60, our Chief Financial Officer, Company Secretary and one of the two authorized representatives of the Company in Hong Kong. Mr. Poon is responsible for overseeing the finance, treasury, accounting, investor relations and company secretarial functions of the Group. He joined our Group on 2 May 2008 and was appointed as the Company Secretary of the Company on 12 September 2008. Mr. Poon has over 35 years of experience in the finance and accounting field. Prior to joining our Group, Mr. Poon worked as a Financial Controller and Chief Financial Officer of several Hong Kong manufacturing companies over the years. Mr. Poon worked in Pricewaterhouse (subsequently renamed to PricewaterhouseCoopers) upon graduation. Mr. Poon was an associate member of the Association of Chartered Certified Accountants from 1993 to 1998 and has been a fellow member since 1998. He graduated from City Polytechnic of Hong Kong with a professional diploma in accountancy in 1989.

Mr. Poon has confirmed that he has taken no less than 15 hours of relevant professional trainings during the year under review and that he had complied with Rule 3.29 of the Listing Rules in relation to professional training during the year under review.

The Directors herein present this annual report and the audited financial statements of the Group for the year ended 31 December 2025.

BUSINESS INFORMATION

The Company's principal activity is investment holding. The principal activities of the Group include property development, leasing and hotel management. The nature of the principal activities of the Group remained the same during the year under review.

A review of the Group's business for the year ended 31 December 2025 and a discussion on the Group's future development are provided in the "Chairman's Statement" and "Management Discussion and Analysis" sections of this annual report.

The Company regards stakeholders as the key element to the Group's long-term development and success, including all employees, customers, suppliers, investors and government authorities. We provide career development and trainings for employees, and pursue active communications amongst all departments head. We ensure active corporate communication and reporting to share the Group's performance, developments and plans through announcements, periodical reports, marketing campaigns and investor relations events. We respond to all stakeholders' enquiries in a timely manner to maintain long-term relationship and cooperation.

FINANCIAL INFORMATION

The Group's performance for the year ended 31 December 2025 is analyzed by using key financial performance indicators set out in "Summary of Financial Information" of this annual report as a summary of results and assets, liabilities and non-controlling interests of the Group for the last five financial years, which is extracted from the audited consolidated financial statements and restated/reclassified as appropriate. This summary does not form part of the consolidated financial statements.

Possible risks and uncertainties that the Group may be facing and the Group's risk management are discussed in the section headed "Management Discussion and Analysis" and set out in the Note 3 to the consolidated financial statements of this annual report.

SEGMENT INFORMATION

The Group's revenue from external customers is derived solely from its operations in the PRC during the year under review and is set out in Note 5 to the consolidated financial statements.

COMPLIANCE

The Company recognises the importance of compliance with relevant laws and regulations which has significant impact in its business and all commercial activities, including but not limited to the Listing Rules, the Securities and Futures Ordinance and the labour legislation in Hong Kong such as Employment Ordinance, Minimum Wage Ordinance, Mandatory Provident Fund Schemes Ordinance and the Companies Ordinance, and also comply with legislations in the PRC such as Contract Law, Companies Law, Labour Law, Property Law, Environmental Protection Law as well as foreign exchange control. Throughout the years, the Company keeps abreast in promoting and educating all employees with appropriate knowledge in relevant laws and regulations while carrying out their duties. Through the trainings and effective communication amongst department heads, the Company strives to ensure ongoing compliance.

REPORT OF THE DIRECTORS

The Group is committed to environmental protection and believes sustainable development is the key for long-term growth of its business and the society. During the year under review, the Group educated all employees on the importance of environmental protection in its operations and promotes energy saving and emission reduction on construction sites and its offices, and controlled main contractors to meet the local environment protection policies. The Group will make every endeavor to protect the environment and seek further sustainable improvement.

During the year under review, there was no material non-compliance with relevant rules and regulations, nor were there any reports of material environmental incidents.

PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the year under review are set out in Note 6 and Note 7 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of the movements in the Company's issued share capital during the year under review are set out in Note 20 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity in page 100 and in Note 41 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no distributable reserve (2024: Nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the Companies Act of the Cayman Islands, which would oblige the Company to offer new shares of the Company on a pro rata basis to existing shareholders.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss of this annual report.

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

DIRECTORS

The Directors during the year ended 31 December 2025 were as follows:

Executive Directors

Mr. Ng Man Fung Walter

Ms. Shang Xuan

Mr. Huang Zhibin (appointed on 9 October 2025)

Mr. Zhong Xiaoming (resigned effective from 1 January 2025)

Non-Executive Directors

Dr. Lam, Lee G. (*Chairman*)

Ms. Chen Bihua (appointed on 9 October 2025)

**Independent Non-Executive Directors**

Mr. Lau Kin Hon

Mr. Chu Kin Wang Peleus

Mr. Chan Sing Lai

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the Independent Non-Executive Directors to be independent, notwithstanding that Mr. Lau Kin Hon and Mr. Chu Kin Wang Peleus have served as the Independent Non-Executive Director for more than 9 years.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors and Non-Executive Director has entered into a service agreement with the Company for a term of two years until terminated by not less than three months' notice in writing served by either party on the other. Each of the Executive Directors and Non-Executive Director is entitled to their respective basic salary as agreed with the Company.

Each of the Independent Non-Executive Directors has entered into a service agreement with the Company for a term of two or three years and is subject to rotation as required under the articles of association of the Company, the Listing Rules and/or other applicable rules (if re-elected, shall continue thereafter) and termination at any time by either party giving to the other not less than three months' notice in writing or in accordance with the provisions set out in the respective service agreement. Each of the Independent Non-Executive Directors is entitled to their respective annual Directors' fees as agreed with the Company.

The appointments of the Executive Directors, Non-Executive Directors and the Independent Non-Executive Directors are subject to the provision of retirement and rotation of Directors under the articles of association of the Company.

No Director has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees and other emoluments are determined by the Remuneration Committee and approved by the Board with reference to Directors' experience, qualifications, duties, responsibilities involved in the Group, the performance and the results of the Group and also the prevailing market conditions. For the year ended 31 December 2025, none of the Directors had waived or agreed to waive any emoluments. The remuneration, including Directors' fees, amounted to approximately RMB3.8 million for the year under review. For details, please refer to Note 31 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISIONS

The articles of association of the Company provides that every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The relevant provisions in the articles of association of the Company were in force during the year under review and as of the date of this annual report.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed under the sections headed "SHARE SCHEME" and "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS" in this annual report, at no time during the year under review were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or were the Company or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors, their respective spouses or children under 18 years of age to acquire such rights in the Company or any other body corporate.

DIRECTORS' INTERESTS IN ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "RELATED PARTY AND CONNECTED TRANSACTIONS" in this annual report, no arrangement or contracts of significance in relation to the Company's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end or at any time during the year under review.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or controlling shareholders of the Company or any of their respective associates (as defined in the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group during the year under review.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the total number of issued shares of the Company was 6,093,451,026 ordinary shares.

As at December 31, 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company, pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix C3 of the Listing Rules, were as follows:

Name	Nature of Interest	Total Number of Ordinary Shares (Note 1)	Approximate Percentage of Interest in the Company
Ms. Chen Bihua	Interest of a controlled corporation and interest of spouse (Note 2)	5,100,000,000	83.70



Notes:

- (1) The letter "L" denotes a long position in the shares or underlying shares.
- (2) Ms. Chen Bihua held long interest in 5,100,000,000 shares in the Company, comprising:
 - (a) 13,500,000 shares beneficially owned by Mr. Wong Wun Ming (deceased), spouse of Ms. Chen Bihua. Ms. Chen Bihua is therefore deemed to be interested in such 13,500,000 shares pursuant to the Securities and Futures Ordinance; and
 - (b) 5,086,500,000 shares held by Galaxy Earnest Limited. Galaxy Earnest Limited is owned as to 55% by Growing Group Limited, a company wholly-owned by Ms. Chen Bihua. Ms. Chen Bihua is therefore deemed to be interested in such 5,086,500,000 shares of the Company pursuant to the Securities and Futures Ordinance.

To the best knowledge of the Company, Mr. Wong Wun Ming passed away on 7 July 2022.

Save as disclosed above, as of December 31, 2025, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to notify the Company and the Stock Exchange, pursuant to the Model Code contained in Appendix C3 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the total issued share capital of the Company was 6,093,451,026 ordinary shares.

As at 31 December 2025, so far as was known to the Directors, the interests or short positions of those persons, other than the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company which has been disclosed to the Company pursuant to Part XV of the SFO, or which have been recorded in the register of interests required to be kept by the Company under Section 336 of the SFO, are listed as follows:

Name	Nature of Interest	Total Number of Ordinary Shares ^(Note 1)	Approximate Percentage of Interest in the Company
Galaxy Earnest Limited	Beneficial owner	5,086,500,000	83.47
Growing Group Limited	Interest of a controlled corporation ^(Note 2)	5,086,500,000	83.47

Note:

- (1) The letter "L" denotes a long position in the shares or underlying shares.
- (2) Galaxy Earnest Limited is owned as to 55% by Growing Group Limited, a company wholly-owned by Ms. Chen Bihua. Therefore, both Growing Group Limited and Ms. Chen Bihua are deemed to be interested in the shares held by Galaxy Earnest Limited under the SFO.

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 December 2025, no person, other than the Directors or chief executives of the Company, had any interest or short position in the shares, underlying shares and debentures of the Company which has been disclosed to the Company pursuant to Part XV of the SFO, or which have been recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

SHARE SCHEME

The Board has not adopted a new share option scheme since the last share option scheme which lapsed on 9 October 2019. The Group had no share scheme (as defined under Chapter 17 of the Listing Rules) in force during the year under review and up to the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, purchases from the Group's five largest suppliers (excluding land purchases) accounted for less than 30% of the total purchases of the Group.

During the year under review, sales to the Group's five largest customers accounted for less than 30% of the total turnover of the Group.

RELATED PARTY AND CONNECTED TRANSACTIONS

There was no connected transaction of the Group that need to be disclosed pursuant to Chapter 14A of the Listing Rules. Details of the related party transactions of the Group, which did not constitute connected transaction of the Group, are set out in Note 40 to the consolidated financial statements of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has exercised its discretion under Rule 8.08(1)(d) of the Listing Rules to accept a lower minimum public float percentage of 15% of the total number of issued shares of the Company. Based on information that is publicly available to the Company and within the knowledge of the Directors, during the year ended December 31, 2025 and as at the date of this annual report, the Company has maintained a public float of over 16.3% of the total issued share capital of the Company which complies with the minimum requirements of at least 15% of the Company's total number of issued Shares (excluding treasury shares) being held by the public as required by Rule 13.32B(1) of the Listing Rules.

DETAILS OF THE TRANSACTIONS IN THE SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

During the year ended 31 December 2025, there were no transactions in the securities of the Company and its subsidiaries.

SIGNIFICANT INVESTMENTS

Saved as those disclosed under the section headed "Management Discussion and Analysis", the Group did not have any significant investments during the year under review.

PARTICIPATION IN THE COMMUNITY AND GIVING BACK TO SOCIETY

The Group has been paying close attention to the needs of the society and the Group is willing to shoulder social responsibilities and make contributions to those in need, particularly in the areas of education and environmental protection.

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

During the year ended 31 December 2025, there were no purchase, sale or redemption of listed securities of the Company by the Company.

TAXATION

Details of the taxation of the Group are set out in Note 32 to the consolidated financial statements.

If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to, the Shares, they are advised to consult an expert.

TAX RELIEF AND EXEMPTION

During the year under review, the Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding the Company's securities.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

On 27 January 2025 (after trading hours), Mingfa Group Yangzhou Real Estate Co., Ltd. (明發集團揚州房地產開發有限公司), Mingfa Group Shanghai Industry Co., Ltd. (明發集團上海實業有限公司), Xiamen Mingfa Group Co., Ltd. (廈門明發集團有限公司) and Ming Fat Holdings (Hong Kong) Limited (明發集團(香港)有限公司) (collectively, the "Sellers"), all of which are wholly-owned subsidiaries of the Company, entered into a sale and purchase agreement with NEEDL EMARK PT DJARUM.CN INTERNATIONAL GROUP CHINA CO., LIMITED (針記國際集團中國有限公司) (the "Purchaser"), pursuant to which the Sellers have agreed to sell 50.00%, 31.25%, 12.50% and 6.25% equity interest in Quanzhou Mingfa Hotel Co., Ltd.* (泉州明發大酒店有限公司) to the Purchaser, respectively, at an aggregated consideration of RMB100 million.

For more details relating to the above, please refer to the Company's announcement dated 27 January 2025.

Save as disclosed above, the Group has no material acquisition or disposal of subsidiaries, associates and joint ventures during the year under review.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by BDO Limited who will retire at the conclusion of the forthcoming AGM. A resolution for the re-appointment of BDO Limited as the Company's auditor will be proposed at the forthcoming AGM.

On Behalf of the Board
Mingfa Group (International) Company Limited

Dr. Lam, Lee G.
Chairman
24 April 2026

INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF MINGFA GROUP (INTERNATIONAL) COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Mingfa Group (International) Company Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 95 to 223, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties

(Refer to Notes 4(c) and 7 to the consolidated financial statements)

Based on valuations carried out by an independent qualified valuer, the management estimated the fair value of the Group’s investment properties to be approximately RMB10,132,000,000 as at 31 December 2025, with fair value loss for the year then ended of approximately RMB971,972,000 recorded in the consolidated statement of profit or loss.

**KEY AUDIT MATTERS (continued)****Valuation of Investment Properties (continued)**

We consider this is a key audit matter because the valuation of the investment properties involved a significant degree of management judgement in respect of the valuation methods, estimates and assumptions and also the fair value of the investment properties represented a significant portion accounting for approximately 18% of the Group's total assets.

Valuation of the Group's investment properties is dependent on certain key assumptions and estimations that require significant management judgement. The valuation was inherently subjective due to the significant estimates used and significant changes in these estimates could result in material changes to the valuation of the investment properties.

Our key audit procedures in relation to the valuation of investment properties included:

- Assessing the appropriateness of the methodologies and reasonableness of the key assumptions and estimations used;
- Checking the appropriateness of the key input data used and determination of fair value;
- Engaging an auditor's expert to assist our assessment on the appropriateness of the methodologies and the reasonableness of the assumptions and estimations adopted in the valuation for estimating the fair value of the investment properties; and
- Evaluating the competence, capabilities and objectivity of management's expert and auditor's expert.

Impairment Assessment of Properties under Development and Completed Properties Held for Sale

(Refer to Notes 4(d), 10 and 13 to the consolidated financial statements)

The Group had properties under development and completed properties held for sale with aggregate carrying amounts of approximately RMB16,512,921,000 and approximately RMB18,358,919,000 respectively as at 31 December 2025.

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable value based on the realisability of these properties, taking into account costs to completion based on past experience and net sales value based on prevailing markets conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised.

We consider this is a key audit matter because the estimation of net realisable value of the Group's properties under development and completed properties held for sale involves significant judgements and is critically dependent upon the Group's estimation of the market selling prices and the future costs to completion. The another reason is that the carrying amount of the properties under development and completed properties held for sale represented a significant portion accounting for approximately 29% and 32% respectively of the Group's total assets.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Impairment Assessment of Properties under Development and Completed Properties Held for Sale (continued)

Our major audit procedures in relation to management's assessments of the net realisable value of properties under development and completed properties held for sale included:

- Assessing, on a sample basis, the reasonableness of the future costs to the completion of the properties under development estimated by the management based on the underlying documentation such as approved budgets of development project costs and existing construction contracts;
- Assessing, on a sample basis, the appropriateness of the estimated selling price of the properties used by the management by comparing them to the recently transacted prices and prices of comparable properties in the vicinity of the development projects;
- Assessing the appropriateness of the basis of the determination of the net realisable value of properties under development and completed properties held for sale, and evaluating the reasonableness and consistency of the key assumptions used by the management;
- Checking the accuracy and relevance of market data such as market prices of comparable properties provided by management;
- Assessing whether there is evidence of management bias on determining net realisable value through discussion with the management to understand their rationale and considering whether consistent basis of judgement is applied by management year on year in assessing net realisable value of various properties;
- Performing retrospective review on management's past estimates to assess the reliability of management's estimates and assessments; and
- Understanding the key controls in relation to the property development cycle, in particular for those related to the preparation, monitoring and management of the cost budget of property projects; and the sources of data and information used for estimating the net realisable value of the properties and the calculation of impairment provision.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**DIRECTORS' RESPONSIBILITIES 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 HKFRS Accounting Standards as 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.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

LAI Cheuk Wai

Practising Certificate no. P07921

Hong Kong, 24 April 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025



	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenues	5	4,385,189	7,030,291
Cost of sales		(3,681,149)	(5,513,442)
Gross profit		704,040	1,516,849
Fair value loss on investment properties	7	(971,972)	(1,198,766)
Other income and other gains and losses	28	151,025	(33,094)
Net impairment loss on financial assets	29	(166,420)	(394,049)
Selling and marketing costs		(312,368)	(397,317)
General and administrative expenses		(481,585)	(687,964)
Operating loss		(1,077,280)	(1,194,341)
Finance income	30	3,225	53,029
Finance costs	30	(625)	(1,004)
Finance income — net	30	2,600	52,025
Share of results of			
— Associated companies		(51,462)	(5,896)
— Joint ventures		20,088	3,388
		(31,374)	(2,508)
Loss before income tax	29	(1,106,054)	(1,144,824)
Income tax expense	32	(92,694)	(664,326)
Loss for the year		(1,198,748)	(1,809,150)
Attributable to:			
Equity holders of the Company		(1,227,177)	(1,791,055)
Non-controlling interests		28,429	(18,095)
		(1,198,748)	(1,809,150)
Loss per share for loss attributable to equity holders of the Company (RMB cents)	34		
— Basic		(20.1)	(29.4)
— Diluted		(20.1)	(29.4)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss for the year	(1,198,748)	(1,809,150)
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
— Currency translation differences	403	(7,810)
Other comprehensive income for the year, net of tax	403	(7,810)
Total comprehensive income for the year	(1,198,345)	(1,816,960)
Attributable to:		
Equity holders of the Company	(1,226,774)	(1,798,865)
Non-controlling interests	28,429	(18,095)
	(1,198,345)	(1,816,960)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025



		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,976,998	2,946,884
Investment properties	7	10,132,000	11,443,316
Goodwill	9	7,169	7,169
Investments in associated companies	11	1,843,062	1,894,524
Investments in joint ventures	12	459,825	2,463,363
Deferred income tax assets	24	53,343	143,277
Other financial assets	18	27,795	27,795
Prepayments for land use rights	8	—	148,835
Total non-current assets		15,500,192	19,075,163
Current assets			
Properties under development	10	16,512,921	17,084,935
Completed properties held for sale	13	18,358,919	18,184,162
Inventories		40,606	37,672
Trade and other receivables and prepayments	14	4,634,562	4,893,962
Contract costs	14	348,324	327,104
Prepaid income taxes		631,691	646,846
Amounts due from related parties, joint ventures and associated companies	15	560,781	567,554
Amounts due from non-controlling interests	16	221,365	333,215
Restricted cash	17	3,750	5,329
Cash and cash equivalents	17	570,251	1,170,696
Total current assets		41,883,170	43,251,475
Total assets		57,383,362	62,326,638

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		As at 31 December	
	Notes	2025	2024
		RMB'000	RMB'000
LIABILITIES			
Current liabilities			
Trade and other payables	25	23,703,053	22,975,366
Contract liabilities	23	4,141,416	5,597,280
Amounts due to related parties, joint ventures and associated companies	26	2,327,773	5,769,523
Amounts due to non-controlling interests	16	686,682	741,149
Income tax payable		5,073,384	5,044,410
Borrowings	22	410,363	276,000
Lease liabilities	27	2,205	2,354
Total current liabilities		36,344,876	40,406,082
Net current assets		5,538,294	2,845,393
Total assets less current liabilities		21,038,486	21,920,556
Non-current liabilities			
Deferred government grants	21	982,185	992,344
Borrowings	22	2,377,169	1,834,728
Deferred income tax liabilities	24	2,075,892	2,289,693
Lease liabilities	27	8	2,214
Total non-current liabilities		5,435,254	5,118,979
Total liabilities		41,780,130	45,525,061
Net assets		15,603,232	16,801,577

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025



		As at 31 December 2025 RMB'000	2024 RMB'000
	Notes		
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	20	536,281	536,281
Reserves		13,957,072	15,183,846
Non-controlling interests	19	14,493,353 1,109,879	15,720,127 1,081,450
Total equity		15,603,232	16,801,577

Ng Man Fung Walter
Director

Shang Xuan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Capital and reserves attributable to equity holders of the Company										Non-controlling interests	Total
	Share capital	Merger reserve	Share premium	Revaluation surplus	Contributions from equity holders	Statutory reserves	Other reserves	Translation reserve	Retained earnings	Total		
	RMB'000 (Note 20)	RMB'000 (Note (a))	RMB'000 (Note (b))	RMB'000 (Note (c))	RMB'000 (Note (d))	RMB'000 (Note (e))	RMB'000 (Note (f))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	536,281	146,601	631,266	257,261	209,196	1,369,631	(208,174)	10,368	14,566,562	17,518,992	1,496,445	19,015,437
Comprehensive income												
Loss for the year	—	—	—	—	—	—	—	—	(1,791,055)	(1,791,055)	(18,095)	(1,809,150)
Other comprehensive expenses												
— Currency translation differences	—	—	—	—	—	—	—	(7,810)	—	(7,810)	—	(7,810)
Total comprehensive income for the year attributable to equity holders of the Company	—	—	—	—	—	—	—	(7,810)	(1,791,055)	(1,798,865)	(18,095)	(1,816,960)
Transactions with owners												
Appropriations to statutory surplus reserve	—	—	—	—	—	97,659	—	—	(97,659)	—	—	—
Capital reduction to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(396,900)	(396,900)
	—	—	—	—	—	97,659	—	(7,810)	(1,888,714)	(1,798,865)	(414,995)	(2,213,860)
Balance at 31 December 2024 and 1 January 2025	536,281	146,601	631,266	257,261	209,196	1,467,290	(208,174)	2,558	12,677,848	15,720,127	1,081,450	16,801,577
Comprehensive income												
Loss for the year	—	—	—	—	—	—	—	—	(1,227,177)	(1,227,177)	28,429	(1,198,748)
Other comprehensive income												
— Currency translation differences	—	—	—	—	—	—	—	403	—	403	—	403
Total comprehensive income for the year attributable to equity holders of the Company	—	—	—	—	—	—	—	403	(1,227,177)	(1,226,774)	28,429	(1,198,345)
Transactions with owners												
Appropriations to statutory surplus reserve	—	—	—	—	—	10,551	—	—	(10,551)	—	—	—
Balance at 31 December 2025	536,281	146,601	631,266	257,261	209,196	1,477,841	(208,174)	2,961	11,440,120	14,493,353	1,109,879	15,603,232

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025



Notes:

- (a) Merger reserve represents the aggregate nominal value of share capital/paid-in capital of the subsidiaries acquired by the Company in the reorganisation prior to the listing of the Company on the Stock Exchange. Details of the reorganisation are set out in the prospectus of the Company dated 4 November 2009.
- (b) Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Under the Companies Law of the Cayman Islands, the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed.
- (c) Revaluation surplus of the Group represents the difference between the carrying value and its fair value when owner-occupied properties became investment properties which are being carried at fair value.
- (d) Pursuant to the Deed of Settlement dated on 29 September 2008, the controlling shareholders agreed to waive the amounts due by the Group totalling approximately HK\$238,673,000 (equivalent to RMB209,196,000), which is no longer needed to be paid by the Group.
- (e) Statutory reserves represent reserves of the PRC incorporated companies which are set aside for future development purposes in accordance with the regulations in the PRC. The allocation is based on certain percentages of the companies' profit of the year, which is based on the figures reported in the statutory financial statements.
- (f) Other reserves represent the difference between the fair value of consideration paid and payable and the carrying amount of net assets attributable to the changes in ownership in the subsidiaries being acquired or disposed from non-controlling interests without change of control.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Operating activities			
Loss before income tax for the year		(1,106,054)	(1,144,824)
Adjustments for:			
Interest income	30	(3,225)	(53,029)
Interest expenses on lease liabilities	30	625	1,004
Depreciation of property, plant and equipment	6	140,105	131,018
Share of results of associated companies		51,462	5,896
Share of results of joint ventures		(20,088)	(3,388)
Depreciation of right-of-use assets under properties under development	29	47,722	48,272
Fair value loss on investment properties	7	971,972	1,198,766
Provision for impairment of completed properties held for sale	29	62,000	83,490
Impairment loss on property, plant and equipment	6	—	84,497
Gain on transferring properties held for sale for repayment of advance	28	—	(663,968)
Additional provision for impairment on financial assets, net	29	166,420	394,049
Gain on deemed acquisition	28, 36	(18,053)	—
Provision for the settlement of liabilities to a joint operation partner	28	—	420,060
Net gain on disposal of subsidiaries	28	—	(25,343)
Net (gain)/loss from disposal of property, plant and equipment	28	(168)	33,612
Net exchange (gain)/losses	28	(12,831)	25,337
(Gain)/loss from disposal of investment properties	28	(144,679)	227,881
Provision for financial guarantee	28	21,392	21,392
Operating profit before working capital changes		156,600	784,722
Properties under development		2,150,525	1,566,137
Completed properties held for sale		165,263	1,641,650
Right-of-use assets under properties under development		148,835	80,719
Inventories		(2,934)	15,747
Trade and other receivables and prepayments		418,439	(245,978)
Contract costs		(21,220)	(216,838)
Change in restricted cash relating to operating activities		1,579	51,960
Trade and other payables		(1,417,921)	742,502
Deferred government grants		(10,159)	(45,458)
Contract liabilities		(1,663,071)	(3,277,324)
Net cash (used in)/generated from operations		(74,064)	1,097,839
Interest received		3,225	53,029
Interest paid		(150,389)	(78,486)
Income tax (paid)/refunded		(172,432)	165,792
Net cash (used in)/generated from operating activities		(393,660)	1,238,174

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025



	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Investing activities			
Additions of property, plant and equipment	6	(33,017)	(3,824)
Additions of other financial assets		—	(245)
Advances made to related parties		(611)	(7)
Advances received from related parties		—	29,414
Advances received from group companies of non-controlling interest		860	628,571
Advances made to group companies of non-controlling interest		(11,683)	(236,094)
Loan to joint ventures		(59)	—
Proceeds from disposal of property, plant and equipment		3,422	20,000
Proceeds from sale of investment properties		403,003	497,217
Net cash inflow from acquisition of a subsidiary		616	—
Proceeds from disposal of subsidiaries		—	49,500
Net cash generated from investing activities		362,531	984,532
Financing activities			
Drawdown of borrowings		—	18,000
Repayments of borrowings		(105,776)	(422,406)
Repayment of principal portion of lease liabilities		(2,355)	(3,182)
Repayment of interest expenses on lease liabilities		(625)	(1,004)
Capital reduction to a non-controlling interest		—	(396,900)
Advances repaid to non-controlling interests		(88,699)	(7,961)
Advances received from non-controlling interests		34,232	132,826
Advances repaid to related parties		(241,330)	(250,921)
Advances repaid to joint ventures		(35)	(1,397,110)
Advances received from joint ventures		32,015	18,809
Advances repaid to associated companies		(156,900)	(9,947)
Advances repaid to a shareholders of associated companies and joint ventures		(2,586)	(471,182)
Net cash used in financing activities	41	(532,059)	(2,790,978)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

		Year ended 31 December	
	Note	2025 RMB'000	2024 RMB'000
Effect of foreign exchange rate changes on cash		(37,257)	(40,232)
Net decrease in cash and cash equivalents		(600,445)	(608,504)
Cash and cash equivalents at beginning of the year		1,170,696	1,779,200
Cash and cash equivalents at end of the year		570,251	1,170,696
Cash and cash equivalents as at 31 December represented by:			
Cash and cash equivalents	17	570,251	1,170,696

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



1 GENERAL INFORMATION

Mingfa Group (International) Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 27 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is office of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “**Group**”) are property development, property investment and hotel operation in the People’s Republic of China (the “**PRC**”).

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 November 2009. Its immediate and ultimate holding company is Galaxy Earnest Limited (incorporated in the British Virgin Islands).

The consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and under the historical cost convention, as modified by the revaluation of investment properties and other financial assets which are carried at fair value.

The preparation of financial statements in accordance with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies.

(i) Adoption of new/amended HKFRS Accounting Standards

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards 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 1 January 2025 for the preparation of the consolidated financial statements:

- *Lack of Exchangeability (Amendment to HKAS 21 The Effects of Changes in Foreign Exchange Rates)*
On 25 September 2023, the HKICPA issued Lack of Exchangeability which amended HKAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(a) Basis of preparation (Continued)

(i) Adoption of new/amended HKFRS Accounting Standards (Continued)

- *Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37)*

On 13 February 2026, the HKICPA issued Disclosures about Uncertainties in the Financial Statements, which amended multiple HKFRS Accounting Standards to include illustrative examples demonstrating how companies can apply HKFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to HKFRS Accounting Standards and do not have an effective date. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

The application of the amendments to HKFRS Accounting Standards in the current year has no material effect on the amount reported and/or on the disclosures set out in these consolidated financial statements.

(ii) New/amended HKFRS Accounting Standards that have been issued but are not yet effective

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

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

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

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

³ Effective for annual periods beginning on or after a date to be determined



2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(a) Basis of preparation (Continued)

(ii) *New/amended HKFRS Accounting Standards that have been issued but are not yet effective (Continued)*

Except as otherwise provided below, the directors of the Company anticipate that the application of all other new and amended HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Presentation and Disclosure in Financial Statements (HKFRS 18)

HKFRS 18, 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 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. The application of the new standard is expected to affect the 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 Group's consolidated financial statements.

Subsidiaries without Public Accountability (HKFRS 19 and its amendments)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(a) Basis of preparation (Continued)

(ii) *New/amended HKFRS Accounting Standards that have been issued but are not yet effective (Continued)*

Amendments to the Classification and Measurement of Financial Instruments (Amendments to HKFRS 9 and HKFRS 7)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosure requirements for investments in equity instruments designated at FVOCI and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Contracts Referencing Nature-dependent Electricity (Amendments to HKFRS 9 and HKFRS 7)

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.



2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(a) Basis of preparation (Continued)

(ii) *New/amended HKFRS Accounting Standards that have been issued but are not yet effective (Continued)*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to HKFRS 10 and HKAS 28)

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Translation to a Hyperinflationary Presentation Currency (Amendments to HKAS 21)

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Annual Improvements to HKFRS Accounting Standards — Volume 11)

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Consolidation

(i) *Subsidiaries*

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(ii) *Business combination and basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "**Group**"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Consolidation (continued)

(ii) *Business combination and basis of consolidation (continued)*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the relevant assets or liabilities were disposed of.

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Associates (continued)

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions are eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred, they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

(d) Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operation: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of the joint arrangement;
- the legal form of joint arrangements structured through a separate vehicle;
- the contractual terms of the joint arrangement agreement; and
- any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method — see note 2(c)).

The Group accounts for its interests joint operation by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements is presented in Renminbi ("**RMB**"), which is the functional and presentation currency of the Company.

(g) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Buildings comprise hotel buildings and self-use buildings.

Depreciation on property, plant and equipment (except assets under construction) is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

Buildings	Shorter of 20–40 years and terms of land lease
Machinery	5–20 years
Furniture and equipment	5 years
Motor vehicles	5 years
Building improvements	Shorter of 5–15 years and terms of land lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recorded in the consolidated statement of profit or loss.

(h) Assets under construction

Assets under construction are stated at historical cost less impairment losses. Historical cost includes expenditure that is directly attributable to the development of the assets which comprises construction costs, amortisation of land use rights, borrowing costs and professional fees incurred during the development period. On completion, the assets are transferred to buildings within property, plant and equipment or to other non-current assets.

No depreciation is provided for assets under construction. The carrying amount of an asset under construction is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(i) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investment properties (continued)

Investment property comprises land held under operating leases and buildings owned by the Group. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Property that is currently being constructed or developed for future use as an investment property is classified as investment property and stated at fair value. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed, whichever is earlier. Any difference between the fair value of the property at that date and its then carrying amount shall be recognised in the consolidated statement of profit or loss.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as income approach or discounted cash flow projections. These valuations are performed at the end of reporting period by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

Changes in fair values of investment properties are recognised in the consolidated statement of profit or loss.

For a transfer from properties under development or completed properties held for sale to investment properties, any difference between the fair value of the property at that date and its then carrying amount is recognised in the consolidated statement of profit or loss.

(j) Impairment of investments in subsidiaries, associated companies, joint ventures and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(k) Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, the estimated costs to completion and costs necessary to make the sale.

Development cost of properties comprises construction costs, cost of land use rights, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

The amortisation of land use rights during the period of construction of the properties is capitalised as the cost of properties under development. The amortisation during the period before the commencement and after the completion of the construction of the properties is expensed in the consolidated statement of profit or loss.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

(l) Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, or by management estimates based on prevailing marketing conditions and costs necessary to make the sale.

(m) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) Financial instruments (continued)

(i) Financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVTOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) Financial instruments (continued)

(ii) *Impairment loss on financial assets (continued)*

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless the Group has reasonable and supportable information to demonstrate that the credit risk on a financial asset has not increased significantly.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) *Write-off policy*

The Group writes off a financial assets when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due which occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where approximate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(iv) *Financial liabilities*

The Group classifies its financial liabilities at amortised costs. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, amounts due to related parties, joint ventures, associated companies and non-controlling interests are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) Financial instruments (continued)

(iv) Financial liabilities (continued)

Financial liabilities at amortised cost (continued)

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

(vii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at FVTPL is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECLs provision measured in accordance with principles of the accounting policy set out in Note 2(m)(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at banks and deposits held at call with banks, and are grouped with bank overdrafts in the consolidated statement of cash flows. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities. Restricted cash is excluded from cash and cash equivalents.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(o) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries/ associated companies/joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

For the purpose of measuring deferred income tax for investment properties that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and its held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

(q) Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(q) Provisions and contingent liabilities (continued)

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

(r) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

(i) Sales of properties

Revenue from sale of properties developed for sale in the PRC in the ordinary course of business is recognised at the point in time when control of completed property is transferred to the customer, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and the collection of the consideration is probable. No revenue is recognised over time since the contract does not give the Group an enforceable right to payment for performance completed to date.

Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under contract liabilities. There is generally only one performance obligation and the consideration include no variable amount.

(ii) Rental income

Rental income from properties under operating leases is recognised on a straight line basis over the lease terms. Guaranteed rental income exceeding the actual amount is recognised when the collectability is reasonably assured.

(iii) Hotel operating income

Revenue from hotel room rental and food and beverages sales is recognised over time when the relevant services have been rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(r) Revenue recognition (continued)

(iv) *Property management services income*

Revenue arising from property management services is recognised over time in the accounting period in which the services are rendered.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

(v) *Contract liabilities*

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(vi) *Contract costs*

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs (mainly sales commission) as an asset if it expects to recover these costs.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

(s) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised as income over the period necessary to match them with the costs that they are intended to compensate.

(t) The Group as a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) lease for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) The Group as a lessee (continued)

(i) *Right-of-use asset*

The right-of-use asset is initially recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under HKAS 40 and are carried at fair value. The Group accounts for leasehold land and buildings which is held for own use under HKAS 16 and are carried at depreciated cost.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	40–70 years
Properties	20–40 years

(ii) *Lease liability*

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

- (i) fixed lease payments less any lease incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- (iii) amounts expected to be payable by the lessee under residual value guarantees;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) The Group as a lessee (continued)

(ii) Lease liability (continued)

- (iv) exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

(iii) The Group as a lessor

The Group has leased out its investment property to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

(u) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.



2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(u) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions apply: (continued)
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (i) that person's children and spouse or domestic partner; (ii) children of that person's spouse or domestic partner; and (iii) dependents of that person or that person's spouse or domestic partner.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk including foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's business is principally conducted in RMB, except that certain fundings are in other foreign currencies, mainly in Hong Kong dollar ("HKD") and United States dollar ("USD").

The Company and most of its subsidiaries' functional currency is RMB, so certain bank balances, balances with related parties and borrowings denominated in foreign currencies are subject to translation at each reporting date. Fluctuation of the exchange rates for RMB against foreign currencies could affect the Group's results of operations. The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk.

The carrying amounts of the Group's foreign currency denominated non-derivative monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
USD	12,218	12,890	1,812,808	1,844,772
HKD	31,093	32,628	612,881	732,938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The following table indicates the approximate change in the Group's loss after income tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates a decrease in loss for the year and other equity where the RMB strengthens against the relevant currency. For a weakening of the RMB against the relevant currency, there would be an equal and opposite impact on the loss for the year and other equity, and the balances below would be negative.

	Strengthens in RMB	Decrease in loss after income tax RMB'000
As at 31 December 2025		
USD	5%	30,932
HKD	5%	8,707
	Strengthens in RMB	Decrease in Loss after income tax RMB'000
As at 31 December 2024		
USD	5%	76,484
HKD	5%	29,238

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the periods until the next annual reporting date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' result for the year measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis as 2024.



3 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) *Cash flow and fair value interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Except for bank deposits (Note 17), borrowings (Note 22), the advances to a third party (Note 14) and amount due from a non-controlling interest (Note 16), the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow and fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 22.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates because the interest rates are not expected to change significantly.

As at 31 December 2025, if interest rates on borrowings at variable rates had been 10 basis points higher/lower with all other variables held constant, the post-tax loss for the year would have been RMB2,090,000 higher/lower.

As at 31 December 2024, if interest rates on borrowings at variable rates has been 10 basis points higher/lower with all other variables held constant, the post-tax loss for the year would have been RMB1,583,000 higher/lower.

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of restricted cash, cash and cash equivalents, trade and other receivables and amounts due from related parties, joint ventures, associated companies and non-controlling interests included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The credit risk on financial guarantees provided to the customers in respect of mortgage loan is limited because the related properties can be resold in the market if the customers fail to repay the mortgage loans.

The credit risk on restricted cash, cash and cash equivalents are limited as the counterparties are high-credit-quality financial institutions. Management does not expect any losses from non-performance of these counterparties.

The Group has policies in place to ensure that sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payment. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Other receivables mainly comprise deposits made to government agencies for property development purposes which are to be recovered upon completion of the development, and advances to business partners for business cooperations. The Group closely monitor these deposits and advances to ensure actions taken to recover these balances in the case of any risk of default. Normally, the Group does not obtain collateral from customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Trade receivables

The Group applies the simplified approach to account for ECLs prescribed by HKFRS 9, which permit the use of the lifetime ECLs. The provision rates are based on days past due for grouping of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025:

	Expected loss rate	Gross carrying amount (RMB'000) (Note 14)	Loss allowance (RMB'000) (Note 14)
Within 90 days past due	53.30%	7,300	3,891
Over 90 days and within 1 year past due	59.74%	112,095	66,964
Over 1 year and within 2 years past due	77.03%	299,739	230,879
Over 2 years past due	100%	523,730	523,730
		942,864	825,464

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

	Expected loss rate	Gross carrying amount (RMB'000) (Note 14)	Loss allowance (RMB'000) (Note 14)
Within 90 days past due	52.84%	34,082	18,008
Over 90 days and within 1 year past due	61.11%	354,308	216,510
Over 1 year and within 2 years past due	84.58%	118,420	100,160
Over 2 years past due	100%	464,266	464,266
		971,076	798,944

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Other receivables and deposits

The significant changes in the gross carrying amount of other receivables and deposits are explained below:

Other receivables and deposits — gross carrying amount (Note 14)	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit- impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	251,628	386,381	961,233	1,599,242
Addition	816,547	—	—	816,547
Financial assets that have been derecognised	(213,693)	(223,748)	(198,356)	(635,797)
Transfer to lifetime ECLs	(498,076)	498,076	—	—
Transfer to credit-impaired financial assets	—	(305,871)	305,871	—
As at 31 December 2024 and 1 January 2025	356,406	354,838	1,068,748	1,779,992
Addition	664,524	—	—	664,524
Financial assets that have been derecognised	(50,975)	(37,984)	(474,528)	(563,487)
Transfer to lifetime ECLs	(715,013)	715,013	—	—
Transfer to credit-impaired financial assets	—	(753,981)	753,981	—
As at 31 December 2025	254,942	277,886	1,348,201	1,881,029

Note: Other receivables and deposits for land purchases are subject to ECLs assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Other receivables and deposits (continued)

Movement in provision for impairment of other receivables and deposits is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At 1 January	774,600	548,400
Impairment losses recognised during the year	222,161	308,712
Reversal	(212,161)	(82,512)
At 31 December	784,600	774,600

Other receivables and deposits — loss allowance	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit- impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	(66,100)	(68,600)	(413,700)	(548,400)
Addition	(308,712)	—	—	(308,712)
Reversal	10,470	28,359	43,683	82,512
Transfer to lifetime ECLs	313,142	(313,142)	—	—
Transfer to credit-impaired financial assets	—	275,783	(275,783)	—
As at 31 December 2024 and 1 January 2025	(51,200)	(77,600)	(645,800)	(774,600)
Addition	(222,161)	—	—	(222,161)
Reversal	8,485	14,314	189,362	212,161
Transfer to lifetime ECLs	213,579	(213,579)	—	—
Transfer to credit-impaired financial assets	—	189,636	(189,636)	—
As at 31 December 2025	(51,297)	(87,229)	(646,074)	(784,600)

The increase in the loss allowance of approximately RMB10,000,000 during the year 2025 (2024: increased by RMB226,200,000) was mainly due to the increase in receivables which were past due for over 1 year (2024 the increase in receivables which were past due for over 1 year).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests

As at 31 December 2025 and 2024, the Group has applied general approach to provide ECLs on the financial assets at amortised cost including amounts due from related parties, joint ventures, associated companies and non-controlling interests under the basis of 12-month ECLs, lifetime ECLs which credit risk has increased significantly but not credit-impaired and lifetime ECLs which are credit-impaired respectively.

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from related parties:

Amounts due from related parties — gross carrying amount (Note 15)	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit-impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	302	29,226	2,804	32,332
Addition	7	—	—	7
Financial assets that have been derecognised	—	(29,216)	(198)	(29,414)
Transfer to lifetime ECLs	(309)	309	—	—
As at 31 December 2024 and 1 January 2025	—	319	2,606	2,925
Addition	643	—	—	643
Transfer to lifetime ECLs	(643)	643	—	—
As at 31 December 2025	—	962	2,606	3,568

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)

Amounts due from related parties — loss allowance	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit- impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	—	(2,776)	(724)	(3,500)
Reversal	—	2,064	36	2,100
Transfer to credit impaired financial assets	—	600	(600)	—
As at 31 December 2024 and 1 January 2025	—	(112)	(1,288)	(1,400)
Addition	—	(100)	(600)	(700)
As at 31 December 2025	—	(212)	(1,888)	(2,100)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from joint ventures and loan to a joint venture:

Amounts due from joint ventures and loan to a joint venture — gross carrying amount (Note 15)	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit- impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	—	341,745	5,536	347,281
Addition	57	—	—	57
Transfer to lifetime ECLs	(57)	57	—	—
As at 31 December 2024 and 1 January 2025	—	341,802	5,536	347,338
Addition	59	—	—	59
Transfer to lifetime ECLs	(59)	59	—	—
As at 31 December 2025	—	341,861	5,536	347,397

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)

Amounts due from joint ventures and loan to a joint venture — loss allowance	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit- impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024, 31 December 2024 and 1 January 2025	—	(500)	(3,300)	(3,800)
Addition	—	—	(1,000)	(1,000)
As at 31 December 2025	—	(500)	(4,300)	(4,800)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from associated companies:

Amounts due from associated companies — gross carrying amount (Note 15)	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit-impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024, 31 December 2024, 1 January 2025	—	197,099	48,792	245,891
Addition	1,225	—	—	1,225
Transfer to lifetime ECLs	(1,225)	1,225	—	—
As at 31 December 2025	—	198,324	48,792	247,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)

Amounts due from associated companies — loss allowance	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit-impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	—	—	(25,700)	(25,700)
Reversal	—	—	2,300	2,300
As at 31 December 2024 and 1 January 2025	—	—	(23,400)	(23,400)
Addition	—	—	(7,000)	(7,000)
As at 31 December 2025	—	—	(30,400)	(30,400)

The ECLs of amounts due from related parties, joint ventures, associated companies and loan to a joint venture as at 31 December 2025 amounted to RMB8,700,000 (Note 29) was charged in profit or loss (2024: RMB4,400,000 was reversed in profit or loss).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from non-controlling interests:

Amounts due from non-controlling interests — gross carrying amount (Note 16)	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit-impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	—	652,480	220,012	872,492
Addition	236,094	—	—	236,094
Financial assets that have been derecognised	—	(598,571)	(15,000)	(613,571)
Transfer to lifetime ECLs	(185,054)	185,054	—	—
As at 31 December 2024 and 1 January 2025	51,040	238,963	205,012	495,015
Addition	11,683	—	—	11,683
Financial assets that have been derecognised	—	(1,473)	(860)	(2,333)
Transfer to lifetime ECLs	(51,040)	51,040	—	—
Transfer to credit impaired financial assets	—	(147,167)	147,167	—
As at 31 December 2025	11,683	141,363	351,319	504,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from non-controlling interests:

Amounts due from non-controlling interests — loss allowance	12-month ECLs RMB'000	Lifetime ECLs (individually assessed) RMB'000	Credit-impaired financial assets (lifetime ECLs) RMB'000	Total RMB'000
As at 1 January 2024	—	(12,442)	(116,438)	(128,880)
Addition	(15,429)	(15,032)	(8,649)	(39,110)
Reversal	—	190	6,000	6,190
As at 31 December 2024 and 1 January 2025	(15,429)	(27,284)	(119,087)	(161,800)
Addition	(2,287)	(62,610)	(56,303)	(121,200)
Transfer to lifetime ECLs	15,429	(15,429)	—	—
Transfer to credit-impaired financial assets	—	20,000	(20,000)	—
As at 31 December 2025	(2,287)	(85,323)	(195,390)	(283,000)

The addition of ECLs of amounts due from non-controlling interests for the year ended 31 December 2025 amounted to RMB121,200,000 (2024: addition of RMB39,110,000 and reversal of RMB6,190 respectively) (Note 29) were recognised in profit or loss.

Credit risk profile

2025 RMB'000	Other receivables (Note 14)		Deposits for land purchases (Note 14)		Amounts due from non-controlling interests (Note 16)		Amounts due from joint ventures (Note 15)		Amounts due from associated companies (Note 15)		Amounts due from related parties (Note 15)	
	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month
	1,626,087	244,732	—	10,210	492,682	11,683	347,397	—	247,116	—	3,568	—
2024 RMB'000	Other receivables (Note 14)		Deposits for land purchases (Note 14)		Amounts due from non-controlling interests (Note 16)		Amounts due from joint ventures (Note 15)		Amounts due from associated companies (Note 15)		Amounts due from related parties (Note 15)	
	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month	Gross carrying amount Lifetime	12-month
	1,335,643	305,206	—	139,143	495,014	—	347,338	—	245,891	—	2,623	302

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents, internally generated sales proceeds and through an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2025					
Borrowings	533,178	389,463	1,199,100	1,233,654	3,355,395
Trade and other payables (excluding other taxes payable)	23,066,550	—	—	—	23,066,550
Amounts due to related parties, joint ventures and associated companies	2,327,773	—	—	—	2,327,773
Amounts due to non-controlling interests	686,682	—	—	—	686,682
Financial guarantees to an associated company (Note 11)	508,928	—	—	—	508,928
Financial guarantees to joint arrangements (Note 12)	15,300	—	—	—	15,300
Financial guarantees (Note 37)	4,488,535	—	—	—	4,488,535
Lease liabilities (Note 27)	2,324	8	—	—	2,332
	31,629,270	389,471	1,199,100	1,233,654	34,451,495
As at 31 December 2024					
Borrowings	378,788	495,623	654,026	1,256,757	2,785,194
Trade and other payables (excluding other taxes payable)	22,372,806	—	—	—	22,372,806
Amounts due to related parties, joint ventures and associated companies	5,769,523	—	—	—	5,769,523
Amounts due to non-controlling interests	741,149	—	—	—	741,149
Financial guarantees to an associated company (Note 11)	547,016	—	—	—	547,016
Financial guarantees to joint arrangements (Note 12)	424,600	—	—	—	424,600
Financial guarantees (Note 36)	5,116,407	—	—	—	5,116,407
Lease liabilities (Note 27)	2,980	2,324	8	—	5,312
	35,353,269	497,947	654,034	1,256,757	37,762,007

Note: The interest payments on borrowings are calculated based on borrowings held as at 31 December 2025 and 2024 respectively without taking into account the future borrowings. Floating-rate interest is estimated using the current interest rate as at 31 December 2025 and 2024 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less total of cash and cash equivalents and restricted cash. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2025 and 2024 were as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings	2,787,532	2,110,728
Less: cash and cash equivalents and restricted cash	(574,001)	(1,176,025)
Net debt	2,213,531	934,703
Total equity	15,603,232	16,801,577
Total Capital	17,816,763	17,736,280
Gearing Ratio	12.4%	5.3%

(e) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31 December 2025 (Note 18). For investment properties that are measured at fair value, see Note 7 for details.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTOCI	—	—	27,795	27,795

The following table presents the Group's financial assets that are measured at fair value at 31 December 2024 (Note 18). For investment properties that are measured at fair value, see Note 7 for details.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTOCI	—	—	27,795	27,795

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

(iii) Financial instruments in Level 3

The following table presents the changes in Level 3 instruments for the years ended 31 December 2025 and 2024:

	Financial assets at FVTOCI	
	2025 RMB'000	2024 RMB'000
Opening balance	27,795	27,550
Addition	—	245
Closing balance	27,795	27,795
Total gains or losses for the year included in profit or loss for financial assets at FVTOCI held at the end of the year	—	—

(f) Financial instruments by category

Financial assets	As at 31 December	
	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost		
Trade and other receivables	1,281,489	1,203,903
Amounts due from related parties, joint ventures and associated companies	560,781	567,554
Amounts due from non-controlling interests	221,365	333,215
Restricted cash	3,750	5,329
Cash and cash equivalents	570,251	1,170,696
	2,637,636	3,280,697
Financial assets at FVTOCI	27,795	27,795
Total	2,665,431	3,308,492

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



3 FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category (continued)

Financial liabilities	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial liabilities at amortised cost		
Borrowings	2,787,532	2,110,728
Trade and other payables (excluding other taxes payable)	23,066,550	22,372,806
Amounts due to related parties, joint ventures and associated companies	2,327,773	5,769,523
Amounts due to non-controlling interests	686,682	741,149
	28,868,537	30,994,206
Lease liabilities	2,213	4,568
Total	28,870,750	30,998,774

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes and deferred taxation

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain, especially on whether the Group is eligible for a lower PRC withholding tax rate of 5% instead of 10% on the applicable unremitted earnings of its PRC entities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation tax. The Group recognised the land appreciation tax of its property projects based on management's best estimates according to its understanding of the tax rules and latest practice of local tax jurisdictions in the cities where the Group's projects are located. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact income tax and deferred income tax provisions in the periods in which such taxes are finalised with local tax authorities.

(c) Estimated fair value of investment properties

Valuation of the Group's investment properties is dependent on certain key assumptions and estimations that require significant management judgements. The valuation was inherently subjective due to the significant estimates used and significant changes in these estimates could result in material changes to the valuation of the investment properties.

The best evidence of fair value is current prices in an active market for the properties with similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The Group assesses the fair value of its investment properties based on valuations determined by independent professional qualified valuers. The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions are disclosed in Note 7.

(d) Provision for properties under development and completed properties held for sale

Estimation of net realisable value of the Group's properties under development and completed properties held for sale involves significant judgements and is critically dependent upon the Group's estimation of the market selling prices and the future costs to completion.

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable value based on the realisability of these properties, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Estimated impairment loss on trade and other receivables

The Group recognises allowance for impairment loss on trade and other receivables when the recoverability of the outstanding debts is uncertain. Such allowance is estimated after taking into account various considerations including the age of the debts, creditworthiness of the debtors, past track records for recovery of debts with similar credit risk characteristics and market conditions. Where the expectation is different from the original estimates, such difference will impact the carrying amounts of receivables and allowance for impairment losses in the period in which such estimate had been changed.

(f) Investments in joint ventures and associates

The Group invested in various joint ventures and associates as at 31 December 2025. The classification on whether those are subsidiaries, joint ventures or associates requires the use of judgement.

The Group tests assets for impairment whenever investments suffer any impairment in accordance to the accounting policies. Investments are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts to the investments to exceed their recoverable amounts. The recoverable amount of an investment is determined as the higher of cash generating unit (CGU)'s fair value less cost to sell and its value-in-use which require the use of assumptions. The estimation of fair value less cost of disposal was made mainly from public market information. The estimated future cash flows used in the value in use assessments are based on assumptions, such as selling price, sales volume, gross margin and discount rates. The assessment requires the use of judgement and estimates.

(g) Whether the presumption that investment properties stated at fair value are recovered through sale is rebutted in determining deferred tax

The Group has investment properties located in the PRC which are measured at fair value. Investment property is property held to earn rentals or for capital appreciation or both. In considering whether the presumption in HKAS 12 Income Taxes that an investment property measured at fair value will be recovered through sale is rebutted in determining deferred tax, the Group has developed certain criteria in making that judgement, such as whether an investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time or through sale. The presumption is rebutted only in the circumstance that there is sufficient evidence such as a historical transaction, future development plans and management's intention to demonstrate that the investment property is held with the objective to consume substantially all of the economic benefits over time, rather than through sale. Continuous assessments on the presumption will be made by management at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(h) Impairment of other non-current assets

Internal and external sources of information are reviewed by the Group at the end of each reporting period to assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash-generating unit to which it belongs is estimated to determine impairment losses on the assets. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect the profit or loss.

As at 31 December 2025, the carrying amounts of property, plant and equipment, investments in associated companies and investments in joint ventures were approximately RMB2,976,998,000, RMB1,843,062,000 and RMB459,825,000 (2024: RMB2,946,884,000, RMB1,894,524,000 and RMB2,463,363,000), respectively. Amounted to RMB84,497,000 impairment loss of property, plant and equipment was provided as at 31 December 2024.

5 REVENUES AND SEGMENT INFORMATION

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

- (i) the property development segment engages in real estate development, including commercial and residential;
- (ii) the hotel segment engages in hotel operation;
- (iii) the property investment and management segment invests in properties for their rental income and/or for potential capital appreciation, and provides management and security services to residential, hotel and commercial properties.

Other operating segments mainly include provision of construction services, investment holding, which are not included within the reportable operating segments, as they are not included in the reports provided to the management. The results of these operations are included in the "all other segments" column.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects may be measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and interest income) and income taxes are managed on a group basis and are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



5 REVENUES AND SEGMENT INFORMATION (continued)

The Group's revenue from external customers is derived solely from its operations in the PRC, and no significant non-current assets of the Group are located outside the PRC.

The Group's customer base is diversified and there was no individual customer with whom transactions exceeded 10% of the Group's revenue for both the years 2025 and 2024.

Segment assets consist primarily of property, plant and equipment, investment properties, prepayments for land use rights, properties under development, completed properties held for sale, receivables, contract costs and cash and bank balances. They also include goodwill recognised arising from acquisition of subsidiaries or non-controlling interests relating to respective segments. They exclude deferred income tax assets, prepaid income taxes and other financial assets.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities and income tax payable.

(a) Segment information

The segment results and other segment items for the year ended 31 December 2025 are as follows:

	Property development RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Total RMB'000
Total segment revenues	3,494,504	277,611	582,631	30,443	4,385,189
Operating profit/(loss)	129,778	(19,565)	(845,809)	(341,864)	(1,077,280)
Finance income — net					2,600
Share of results of associated companies	(37,933)	—	(6,099)	(7,430)	(51,462)
Share of results of joint ventures	20,377	—	(289)	—	20,088
Loss before income tax					(1,106,054)
Income tax expense					(92,694)
Loss for the year					(1,198,748)
Other segment information					
Capital and property development expenditure	4,706,791	4,705	18,807	840	4,731,143
Depreciation of property, plant and equipment	87,742	42,624	2,197	8,042	140,105
Fair value loss on investment properties	—	—	971,972	—	971,972
Depreciation of right-of-use assets under properties under development	47,722	—	—	—	47,722
Net impairment loss on financial assets	116,495	13,314	33,283	3,328	166,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5 REVENUES AND SEGMENT INFORMATION (continued)

(a) Segment information (continued)

The segment assets and liabilities as at 31 December 2025 are as follows:

	Property development RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	85,640,829	1,578,281	12,090,703	22,492,821	(67,434,988)	54,367,646
Associated companies	211,061	—	1,297,470	334,531	—	1,843,062
Joint ventures	160,114	—	299,711	—	—	459,825
	86,012,004	1,578,281	13,687,884	22,827,352	(67,434,988)	56,670,533
Unallocated						
Deferred income tax assets						53,343
Prepaid income taxes						631,691
Other financial assets						27,795
Total assets						57,383,362
Segment liabilities	93,305,798	103,634	2,115,216	3,753,662	(67,434,988)	31,843,322
Unallocated						
Deferred income tax liabilities						2,075,892
Borrowings						2,787,532
Income tax payable						5,073,384
Total liabilities						41,780,130

The segment results and other segment items for the year ended 31 December 2024 are as follows:

	Property development RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Total RMB'000
Total segment revenues	5,973,499	288,592	658,855	109,345	7,030,291
Operating profit/(loss)	791,495	(110,925)	(1,698,349)	(176,562)	(1,194,341)
Finance income — net					52,025
Share of results of associated companies	(2,815)	—	6,085	(9,166)	(5,896)
Share of results of joint ventures	9,064	—	(5,676)	—	3,388
Loss before income tax					(1,144,824)
Income tax expense					(664,326)
Loss for the year					(1,809,150)
Other segment information					
Capital and property development expenditure	4,862,831	11,260	14,542	78,367	4,967,000
Depreciation of property, plant and equipment	79,128	44,960	2,015	4,915	131,018
Fair value loss on investment properties	—	—	1,198,766	—	1,198,766
Depreciation of right-of use assets under properties under development	48,272	—	—	—	48,272
Net impairment loss on financial assets	353,462	13,004	11,821	15,762	394,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



5 REVENUES AND SEGMENT INFORMATION (continued)

(a) Segment information (continued)

The segment assets and liabilities as at 31 December 2024 are as follows:

	Property development RMB'000	Hotel RMB'000	Property investment and management RMB'000	All other segments RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	78,008,870	1,643,534	13,563,415	21,340,535	(57,405,521)	57,150,833
Associated companies	248,995	—	1,305,619	339,910	—	1,894,524
Joint ventures	223,718	—	2,239,645	—	—	2,463,363
	78,481,583	1,643,534	17,108,679	21,680,445	(57,405,521)	61,508,720
Unallocated						
Deferred income tax assets						143,277
Prepaid income taxes						646,846
Other financial assets						27,795
Total assets						62,326,638
Segment liabilities	84,499,549	149,204	2,631,739	6,205,259	(57,405,521)	36,080,230
Unallocated						
Deferred income tax liabilities						2,289,693
Borrowings						2,110,728
Income tax payable						5,044,410
Total liabilities						45,525,061

(b) Revenues

The following summary describes the operations in each of the Group's reportable segments:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customer within the scope of HKFRS 15:		
• Property development	3,494,504	5,973,499
• Hotel	277,611	288,592
• Property investment and management		
— property management fee income	253,705	251,810
• All other segments	30,443	109,345
	4,056,263	6,623,246
Revenue from other sources		
• Property investment and management — rental income	328,926	407,045
	4,385,189	7,030,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5 REVENUES AND SEGMENT INFORMATION (continued)

(b) Revenues (continued)

In the following tables, revenue is disaggregated by primary geographical market, major products and service and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Property development		Hotel		Property investment and management		All other segments		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Primary geographical markets										
PRC	3,494,504	5,973,499	277,611	288,592	582,631	658,855	30,443	109,345	4,385,189	7,030,291
Major products/services										
Sales of properties	3,494,504	5,973,499	—	—	—	—	—	—	3,494,504	5,973,499
Hotel room services	—	—	162,236	139,978	—	—	—	—	162,236	139,978
Hotel — food and drinks	—	—	115,375	148,614	—	—	—	—	115,375	148,614
Rental income										
— from investment properties	—	—	—	—	313,051	394,070	—	—	313,051	394,070
— others	—	—	—	—	15,875	12,975	—	—	15,875	12,975
Property management fee income	—	—	—	—	253,705	251,810	—	—	253,705	251,810
Miscellaneous income	—	—	—	—	—	—	30,443	109,345	30,443	109,345
	3,494,504	5,973,499	277,611	288,592	582,631	658,855	30,443	109,345	4,385,189	7,030,291
Timing of revenue recognition										
At a point in time	3,494,504	5,973,499	115,375	148,614	—	—	30,443	24,196	3,640,322	6,146,309
Transferred over time	—	—	162,236	139,978	253,705	251,810	—	85,149	415,941	476,937
Straight-line basis over the lease term	—	—	—	—	328,926	407,045	—	—	328,926	407,045
	3,494,504	5,973,499	277,611	288,592	582,631	658,855	30,443	109,345	4,385,189	7,030,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6 PROPERTY, PLANT AND EQUIPMENT

	Assets under construction RMB'000	Hotel buildings and improvements RMB'000	Machinery RMB'000	Furniture and equipment RMB'000	Motor vehicles RMB'000	Self-use buildings RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost								
As at 1 January 2025	438,655	2,504,281	39,294	212,879	115,594	45,576	853,800	4,210,079
Additions	—	19,495	394	1,763	801	10,564	—	33,017
Disposals	—	(10,599)	(94)	(1,622)	(5,662)	(6,699)	—	(24,676)
Transfer from property under development	140,456	—	—	—	—	—	—	140,456
Transfer to hotel buildings and improvements	(140,456)	140,456	—	—	—	—	—	—
As at 31 December 2025	438,655	2,653,633	39,594	213,020	110,733	49,441	853,800	4,358,876
Accumulated depreciation								
As at 1 January 2025	—	(709,545)	(28,765)	(172,390)	(95,906)	(43,665)	(212,924)	(1,263,195)
Charge for the year	—	(116,308)	(1,823)	(8,133)	(4,049)	—	(9,792)	(140,105)
Disposals	—	9,785	63	—	5,541	6,033	—	21,422
As at 31 December 2025	—	(816,068)	(30,525)	(180,523)	(94,414)	(37,632)	(222,716)	(1,381,878)
Net book value								
As at 31 December 2025	438,655	1,837,565	9,069	32,497	16,319	11,809	631,084	2,976,998

	Assets under construction RMB'000	Hotel buildings and improvements RMB'000	Machinery RMB'000	Furniture and equipment RMB'000	Motor vehicles RMB'000	Self-use buildings RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost								
As at 1 January 2024	438,655	2,248,193	36,198	219,111	116,002	46,275	853,800	3,958,234
Transfer from property under development	315,563	—	—	—	—	—	—	315,563
Additions	—	—	3,191	—	633	—	—	3,824
Disposals	—	(59,475)	(95)	(6,232)	(1,041)	(699)	—	(67,542)
Transfer to hotel buildings and improvements	(315,563)	315,563	—	—	—	—	—	—
As at 31 December 2024	438,655	2,504,281	39,294	212,879	115,594	45,576	853,800	4,210,079
Accumulated depreciation								
As at 1 January 2024	—	(531,836)	(26,148)	(158,892)	(93,341)	(44,359)	(207,034)	(1,061,610)
Charge for the year	—	(103,290)	(2,675)	(15,573)	(3,590)	—	(5,890)	(131,018)
Impairment loss	—	(84,497)	—	—	—	—	—	(84,497)
Disposals	—	10,078	58	2,075	1,025	694	—	13,930
As at 31 December 2024	—	(709,545)	(28,765)	(172,390)	(95,906)	(43,665)	(212,924)	(1,263,195)
Net book value								
As at 31 December 2024	438,655	1,794,736	10,529	40,489	19,688	1,911	640,876	2,946,884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6 PROPERTY, PLANT AND EQUIPMENT (continued)

There was no impairment loss recognised in profit or loss for the hotel buildings and improvements for the year ended 31 December 2025 (2024: impairment loss of RMB84,497,000).

Depreciation of property, plant and equipment of RMB140,105,000 (2024: RMB131,018,000) has been charged to the consolidated statement of profit or loss.

As at 31 December 2025, certain hotel buildings amounted to RMB1,063,078,000 were pledged as collateral for the Group's renewed borrowings. As at 31 December 2024, no hotel buildings were pledged as collateral for the Group's borrowings.

There was no interest capitalised in assets under construction for the year ended 31 December 2025 (2024: Nil).

Right-of-use assets

	Land use rights (Note i) RMB'000	Properties (Note ii) RMB'000	Total RMB'000
At 1 January 2024	640,705	6,061	646,766
Depreciation	(3,610)	(2,280)	(5,890)
At 31 December 2024 and 1 January 2025	637,095	3,781	640,876
Depreciation	(7,732)	(2,060)	(9,792)
At 31 December 2025	629,363	1,721	631,084

Note i: Land use rights comprise cost of acquiring rights to use certain lands, which are all located outside Hong Kong and primarily in PRC for property, plant and equipment.

Note ii: The Group has obtained the right to use other properties as its office through tenancy agreements. The leases typically run for an initial period of 2 to 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



7 INVESTMENT PROPERTIES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Opening balance	11,443,316	13,552,000
Transfer from completed properties held for sale	8,130	235,240
Transfer to completed properties held for sale	(89,150)	—
Fair value loss	(971,972)	(1,198,766)
Disposals	(258,324)	(1,145,158)
Ending balance	10,132,000	11,443,316

The investment properties were revalued on an existing use basis at the end of each reporting period date by Cushman & Wakefield Limited ("C&W"), an independent and professionally qualified valuer. Valuations were based on either capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties or on direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market.

The Group's interests in investment properties at their net book values are analysed as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
In the PRC, held on leases of 10–50 years	10,132,000	11,443,316

As at 31 December 2025, investment properties of RMB4,325,838,000 (2024: RMB2,168,000,000) were pledged as collateral for the Group's borrowings, and RMB2,509,952,000 (2024: RMB1,000,000,000) were pledged as collateral for a joint venture's borrowings.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. The leases typically run for a period between 1 to 15 years. The lessees do not have an option to purchase the property at the expiry of the lease period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7 INVESTMENT PROPERTIES (continued)

Fair value hierarchy

Description	Fair value measurements at 31 December 2025 using		
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	RMB'000	RMB'000	RMB'000
Recurring fair value measurements			
Investment properties located in the PRC:			
— Completed investment properties	—	—	9,942,000
— Investment property under development	—	—	190,000
Total	—	—	10,132,000

Description	Fair value measurements at 31 December 2024 using		
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	RMB'000	RMB'000	RMB'000
Recurring fair value measurements			
Investment properties located in the PRC:			
— Completed investment properties	—	—	11,223,316
— Investment property under development	—	—	220,000
Total	—	—	11,443,316

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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7 INVESTMENT PROPERTIES (continued)

Fair value measurements using significant unobservable inputs (Level 3)

	Year ended 31 December 2025		
	Completed investment properties RMB'000	Investment property under development RMB'000	Total RMB'000
Opening balance	11,223,316	220,000	11,443,316
Additions	8,130	—	8,130
Transfer to completed properties held for sales	(89,150)	—	(89,150)
Fair value loss	(941,972)	(30,000)	(971,972)
Disposals	(258,324)	—	(258,324)
Ending balance	9,942,000	190,000	10,132,000
Total losses for the year included in profit or loss under fair value loss on investment properties	(941,972)	(30,000)	(971,972)

	Year ended 31 December 2024		
	Completed investment properties RMB'000	Investment property under development RMB'000	Total RMB'000
Opening balance	13,300,000	252,000	13,552,000
Additions	235,240	—	235,240
Fair value loss	(1,166,766)	(32,000)	(1,198,766)
Disposals	(1,145,158)	—	(1,145,158)
Ending balance	11,223,316	220,000	11,443,316
Total losses for the year included in profit or loss under fair value loss on investment properties	(1,166,766)	(32,000)	(1,198,766)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7 INVESTMENT PROPERTIES (continued)

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2025 and 2024 by an independent and professionally qualified valuer who holds a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer, including:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuation movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

Valuation techniques

For completed investment properties, the valuation was determined using the income capitalisation approach which was based on capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

For investment properties under development, the valuation was based on a direct comparison model taking into account the following estimates (in addition to the inputs noted above):

Costs to complete	These are largely consistent with internal budgets developed by the Group's finance department, based on management's experience and knowledge of market conditions. Costs to complete also include a reasonable profit margin;
Completion dates	Properties under development require approval or permits from oversight bodies at various points in the development process, including approval or permits in respect of initial design, zoning, commissioning, and compliance with environmental regulations. Based on management's experience with similar developments, all relevant permits and approvals are expected to be obtained. However, the completion date of the development may vary depending on, among other factors, the timeliness of obtaining approvals and any remedial action required by the Group.

There was no changes to the valuation techniques during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



7 INVESTMENT PROPERTIES (continued)

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2025 RMB'000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	9,942,000	Income capitalisation approach	Rental value Term yield Reversionary yield	RMB4-65 per square metre 5.25%-7.25% 5.5%-8%	The higher the market rent, the higher the fair value The higher the term yield, the lower the fair value The higher the reversionary yield, the lower the fair value
Investment property under development	190,000	Direct comparison with estimated costs to complete	Estimated costs to completion Direct comparison value Estimated profit margin required to hold and develop properties to completion	RMB165,000,000 RMB7,600 per square metre 20% of property value	The higher the estimated costs, the lower the fair value The higher the direct comparison value, the higher the fair value The higher the profit margin required, the lower the fair value

Description	Fair value at 31 December 2024 RMB'000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	11,223,316	Income capitalisation approach	Rental value Term yield Reversionary yield	RMB4-65 per square metre per month 5.0-7.0% 5.5-7.5%	The higher the market rent, the higher the fair value The higher the term yield, the lower the fair value The higher the reversionary yield, the lower the fair value
Investment property under development	220,000	Direct comparison with estimated costs to complete	Estimated costs to completion Direct comparison value Estimated profit margin required to hold and develop properties to completion	RMB165,000,000 RMB8,300 per square metre 20% of property value	The higher the estimated costs, the lower the fair value The higher the direct comparison value, the higher the fair value The higher the profit margin required, the lower the fair value

There are inter-relationships between unobservable inputs. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. For investment properties under development, increases in construction costs that enhance the property's features may result in an increase of future rental values. An increase in future rental income may be linked with higher costs. If the remaining lease term increases, the yield may decrease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7 INVESTMENT PROPERTIES (continued)

The following amounts have been recognised in the consolidated statement of profit or loss:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Rental income	328,926	407,045
Direct operating expenses arising from investment properties that generate rental income	(174,464)	(178,011)

During the years ended 31 December 2025 and 2024, the investment properties are all located in the PRC and have remaining lease period less than 40 years.

8 PREPAYMENTS FOR LAND USE RIGHTS

The Group had made prepayments for acquisition of certain land use rights, the ownership certificates of which had not been obtained as at 31 December 2024.

9 GOODWILL

Goodwill arising from acquisitions:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Opening and ending balance	7,169	7,169

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment level summary of the goodwill is presented below:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Property development	7,169	7,169

The recoverable amount of a CGU is determined based on the higher of the fair value (less cost to sell) of the related properties development operation or its value-in-use estimate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



10 PROPERTIES UNDER DEVELOPMENT

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Properties under development comprise:		
Construction costs and capitalised expenditures	15,355,223	15,826,799
Interest capitalised	1,157,698	1,258,136
	16,512,921	17,084,935

The properties under development are all in PRC.

As at 31 December 2025, properties under development of RMB929,490,000 (2024: RMB371,670,000) were pledged as collateral for the Group's borrowings.

The capitalisation rate of borrowings was 4.7% for the year ended 31 December 2025 (2024: 5.2%).

As at 31 December 2025, no leasehold interest in land were pledged as collateral for the Group's borrowings.

As at 31 December 2024, leasehold interests in land approximately RMB132,798,000 were pledged as collateral for the Group's borrowings.

As at 31 December 2025, properties under development amounted to approximately RMB8,110,052,000 (2024: RMB10,448,458,000) were not expected to be realised within twelve months from the end of the reporting period.

11 INVESTMENTS IN ASSOCIATED COMPANIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Share of net assets	1,794,502	1,845,964
Goodwill on acquisition	48,560	48,560
	1,843,062	1,894,524

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11 INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Nature of investments in the unlisted associated companies in 2025 and 2024

Name of entity	Place of incorporation/ registration and business	% of interest held	Measurement method
Eagle Rights Limited (“ Eagle Rights ”)	British Virgin Islands/Japan	33.33%	Equity accounting
Changchun Shimao Mingfa Real Estate Company Limited (“ Shimao Mingfa ”) 長春世茂明發房地產開發有限公司	PRC	37.50%	Equity accounting
Nanjing Software Valley Qichuang Communication Technology Co., Ltd (“ Mingfa Tongxin ”) 南京軟件谷奇創通訊科技有限公司	PRC	49%	Equity accounting
Nanjing Software Valley Information Development Company Limited (“ Software Valley Mingfa ”) 南京軟件谷明發信息科技發展有限公司	PRC	48%	Equity accounting
Zhangchun Yue Yi Real Estate Development Co., Ltd (“ Yue Yi ”) 長春悅翊房地產開發有限公司	PRC	37.50%	Equity accounting
Jiangsu Zhuye Construction Technology Development Company Limited 江蘇築業建築科技發展有限公司	PRC	30%	Equity accounting
Nanjing Ruijing Real Estate Development Co., Ltd. 南京銳昱房地產開發有限公司	PRC	25%	Equity accounting
Nanjing Tongdao Education Consulting Co., Ltd. 南京同道教育諮詢有限公司	PRC	30%	Equity accounting
Winning Orient Ltd (“ Winning Orient ”) 東勝有限公司	Hong Kong	49%	Equity accounting
Guang'an Yueshang Commercial Management Co., Ltd. 廣安市悅尚商業管理有限公司	PRC	49%	Equity accounting

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11 INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Nature of investments in the unlisted associated companies in 2025 and 2024 (continued)

As at 31 December 2025 and 2024, the Group provided guarantees of the following amounts in respect of bank borrowings to its associated company:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Mingfa Tongxin	508,928	547,016

Summarised financial information for the associated companies

Set out below are the summarised financial information for material associated companies which are accounted for using the equity accounting method.

Summarised statement of financial position

	Eagle Rights		Shimao Mingfa		Mingfa Tongxin		Software Valley Mingfa		Yue Yi		Winning Orient		Others	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets														
Current assets	88,937	67,415	253,773	253,774	184,385	248,539	291,408	374,609	1,427,195	1,518,303	4,392,281	4,410,801	56,896	247,614
Non-current assets	57,344	58,891	20	20	1,149,608	1,231,512	2,780,783	2,791,627	14,860	14,860	6,481	6,481	361,515	385,524
	146,281	126,306	253,793	253,794	1,333,993	1,480,051	3,072,191	3,166,236	1,442,055	1,533,163	4,398,762	4,417,282	418,411	633,138
Liabilities														
Current liabilities	(47,107)	(4,941)	(1)	(1)	(80,763)	(97,025)	(73,797)	(272,815)	(1,203,747)	(1,281,650)	(3,455,789)	(3,459,146)	(130,810)	(324,655)
Non-current liabilities	—	—	—	—	(1,038,627)	(1,116,361)	(953,302)	(853,302)	(125,244)	(125,244)	—	—	—	—
	(47,107)	(4,941)	(1)	(1)	(1,119,390)	(1,213,386)	(1,027,099)	(1,126,117)	(1,328,991)	(1,406,894)	(3,455,789)	(3,459,146)	(130,810)	(324,655)
Net assets	99,174	121,365	253,792	253,793	214,603	266,665	2,045,092	2,040,119	113,064	126,269	942,973	958,136	287,601	308,483

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11 INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Summarised statement of profit or loss and other comprehensive income

	Eagle Rights		Shimao Mingfa		Mingfa Tongxin		Software Valley Mingfa		Yue Yi		Winning Orient		Others	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Income	25,907	25,210	—	—	94,754	129,164	51,558	57,914	100,811	81,739	39,184	21,924	944	59,739
Expenses	(36,745)	(61,766)	(1)	(975)	(146,816)	(138,961)	(46,585)	(43,989)	(114,016)	(72,769)	(54,347)	(40,630)	4,796	(70,862)
(Loss)/profit after tax	(10,838)	(36,556)	(1)	(975)	(52,062)	(9,797)	4,973	13,925	(13,025)	8,970	(15,163)	(18,706)	5,740	(11,123)
— Exchange differences	(11,353)	(39,349)	—	—	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	(22,191)	(75,905)	(1)	(975)	(52,062)	(9,797)	4,973	13,925	(13,025)	8,970	(15,163)	(18,706)	5,740	(11,123)

The information above reflects the amounts presented in the financial statements of the associated companies, adjusted for differences in accounting policies between the Group and the associated companies, and not the Group's share of those amounts.

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of the Group's interests in associated companies:

	Eagle Rights		Shimao Mingfa		Mingfa Tongxin		Software Valley Mingfa		Yue Yi		Winning Orient		Others	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening net assets	121,365	92,828	253,793	254,768	266,665	276,462	2,040,119	2,026,194	126,269	117,299	958,136	976,842	308,483	319,606
Capital injection	—	104,442	—	—	—	—	—	—	—	—	—	—	—	—
Disposal	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(Loss)/profit for the year	(10,838)	(36,556)	(1)	(975)	(52,062)	(9,797)	4,973	13,925	(13,205)	8,970	(15,163)	(18,706)	(20,882)	(11,123)
Exchange differences	(11,353)	(39,349)	—	—	—	—	—	—	—	—	—	—	—	—
Closing net assets	99,174	121,365	253,792	253,793	214,603	266,665	2,045,092	2,040,119	113,064	126,269	942,973	958,136	287,601	308,483
% of interest held	33.33%	33.33%	37.50%	37.50%	49.00%	49.00%	48.00%	48.00%	37.50%	37.50%	49.00%	49.00%	25-49%	25-49%
Group's interests in associated companies	33,055	40,451	95,172	95,172	105,155	130,666	981,644	979,257	42,399	47,351	462,057	469,487	75,020	83,580
Goodwill	—	—	48,560	48,560	—	—	—	—	—	—	—	—	—	—
Carrying amount	33,055	40,451	143,732	143,732	105,155	130,666	981,644	979,257	42,399	47,351	462,057	469,487	75,020	83,580

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12 INVESTMENTS IN JOINT VENTURES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Share of net assets	459,825	2,463,363

Nature of investments in material joint ventures in 2025 and 2024

Name of entity	Place of incorporation/ registration and business	% of interest held	Measurement method
Nanjing Mingfa Technological and Commercial Town Construction Development Co., Ltd. ("Mingfa Technological") 南京明發科技商務城建設發展有限公司	PRC	100% (2024: 51%)	Equity accounting Note 36
Versilcraft Holdings Limited ("Versilcraft")	British Virgin Islands/Italy	33.33%	Equity accounting
Nanjing Guofa Real Estate Co., Ltd. 南京國發置業有限公司	PRC	51%	Equity accounting
Changsha Sand Boat Zhongmin Baihui Ole Business Management Co., Ltd. 長沙砂之船中閩百匯奧萊商業管理有限公司	PRC	49%	Equity accounting
Suzhou Zhengxin Real Estate Development Co., Ltd. 蘇州正信置業發展有限公司	PRC	14.44%	Equity accounting
Guang'an Yueshang Commercial Management Co., Ltd. 廣安市悅尚商業管理有限公司	PRC	49%	Equity accounting
Wuxi Yueshang Aolai Co., Ltd. ("Yueshang Aolai") 無錫市悅尚奧萊有限責任公司	PRC	50%	Equity accounting
Shanghai Jiaming Yongshang Commercial Management Co., Ltd. ("Shanghai Jiaming") 上海佳明永尚商業管理有限公司	PRC	40%	Equity accounting

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12 INVESTMENTS IN JOINT VENTURES (continued)

Nature of investments in material joint ventures in 2025 and 2024 (continued)

The Group has joint control of the above companies with other joint venture partners in accordance with the relevant contractual agreements which decisions about the relevant activities require the unanimous consent of the parties sharing control and accordingly these companies have been accounted for as joint ventures.

During the year ended 31 December 2025, Mingfa Technological became a wholly-owned subsidiary of the Group through a deemed acquisition. Details are disclosed in Note 36.

The Group has discontinued the recognition of its share of losses of a joint venture in Versilcraft, because the share of losses of the joint ventures exceeds the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of Versilcraft for the current year was RMB3,653,000 (2024: RMB1,300,000). The accumulated unrecognised losses of Versilcraft were RMB12,004,900 (2024: RMB8,351,900).

As at 31 December 2025 and 2024, the Group provided guarantee of the following amounts in respect of bank borrowing to joint ventures:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Yueshang Aolai	15,300	37,500
Mingfa Technological	N/A	387,100

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For the year ended 31 December 2025



12 INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information for the joint ventures

Set out below are the summarised financial information for the significant joint ventures which are accounted for using the equity accounting method.

Summarised statement of financial position

	Mingfa Technological As at 31 December		Shanghai Jiaming As at 31 December		Others As at 31 December	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 36)					
Assets						
Current assets	N/A	7,340,091	838,625	880,605	973,833	951,128
Non-current assets	N/A	85,545	66	115	244,688	271,445
	N/A	7,425,636	838,691	880,720	1,218,521	1,222,573
Liabilities						
Current liabilities	N/A	(2,668,526)	(97,863)	(139,169)	(627,330)	(638,880)
Non-current liabilities	N/A	(790,000)	—	—	(50,906)	(95,906)
	N/A	(3,458,526)	(97,863)	(139,169)	(678,236)	(734,786)
Net assets	N/A	3,967,110	740,828	741,551	540,285	487,787
This above amounts of assets and liabilities include the following:						
Cash and cash equivalents included in current assets	N/A	741	139,132	162,641	344,681	197,703
Current financial liabilities (excluding trade and other payables and provisions) included in current liabilities	N/A	207,207	—	—	6,094	3,017
Non-current financial liabilities (excluding trade and other payables and provisions) included in non-current liabilities	N/A	790,000	—	—	30,000	75,000

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12 INVESTMENTS IN JOINT VENTURES (continued)

Summarised statement of profit or loss and other comprehensive income

	Mingfa Technological As at 31 December		Shanghai Jiaming As at 31 December		Others As at 31 December	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 36					
Income	—	12,644	67	251	1,231,327	1,218,892
Expenses	(1,302)	(23,774)	(790)	—	(1,190,451)	(1,190,315)
(Loss)/profit after tax and total comprehensive income	(1,302)	(11,130)	(723)	251	40,876	28,577
The above (loss)/profit for the year include the following:						
Depreciation and amortisation	—	(1)	—	—	(7,764)	(1,096)
Interest income	—	1	—	—	3,017	278
Interest expense	—	(3,880)	—	—	(2,745)	(5,277)
Income tax expense	—	—	—	—	(23,237)	(21,767)

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures.

Reconciliation of summarised financial information presented to the Group's interest in joint ventures:

	Mingfa Technological As at 31 December		Shanghai Jiaming As at 31 December		Others As at 31 December	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 36					
Opening net assets	3,967,110	3,978,240	741,551	741,300	487,787	459,210
(Loss)/profit for the year	(1,302)	(11,130)	(723)	251	40,876	28,577
Derecognition	(3,965,808)	—	—	—	—	—
Closing net assets	—	3,967,110	740,828	741,551	528,663	487,787
% of interest held	N/A	51%	40%	40%	14.44–51%	14.44–51%
Group's interest in Joint ventures	N/A	2,023,226	296,331	296,620	163,494	143,517
Carrying amount	N/A	2,023,226	296,331	296,620	163,494	143,517

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13 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in PRC on leases between 40 to 70 years.

As at 31 December 2025, no completed properties held for sale were pledged as collateral for the Group's borrowings.

As at 31 December 2024, completed properties held for sale of RMB1,081,210,000 were pledged as collateral for the Group's borrowings.

As at 31 December 2025, there were provision of impairment loss amounted to RMB62,000,000 (2024: RMB83,490,000) made on completed properties held for sale.

14 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	942,864	971,076
Less: Provision for impairment of trade receivables (Note (a))	(825,464)	(798,944)
Trade receivables — net (Note (b))	117,400	172,132
Other receivables (Note (c))	1,870,819	1,640,849
Deposits for land purchases	10,210	139,143
Less: Provision for impairment of other receivables and deposits	(784,600)	(774,600)
Other receivables and deposits — net	1,096,429	1,005,392
Prepayments for construction costs	2,314,353	2,490,761
Prepaid business tax and other levies on pre-sale proceeds	1,038,720	1,199,298
Miscellaneous	67,660	26,379
	4,634,562	4,893,962
Contract costs (Note (d))	348,324	327,104

As at 31 December 2025 and 2024, the fair values of trade receivables, deposits for land purchases, other receivables and contract costs approximate their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS (continued)

Notes:

- (a) Movement in provision for impairment of trade receivables is as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	798,944	659,615
Net impairment loss recognised during the year	26,520	139,329
As at 31 December	825,464	798,944

- (b) Trade receivables mainly arose from leases of investment properties, building management fee and receivables from hotel operation. Proceeds in respect of properties sold and leased and property construction are to be received in accordance with the terms of the related sales and purchase agreements, lease agreements and construction agreements.

The ageing analysis of trade receivables (net of impairment losses) of the Group, based on invoice dates, as of the end of the year is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 90 days	3,409	16,074
Over 90 days and within 1 year	45,132	137,798
Over 1 year and within 2 years	68,859	18,260
	117,400	172,132

- (c) As at 31 December 2025, except for the amount of RMB371,868,951 (2024: RMB371,868,951) due from a third party which is secured with a personal guarantee, interest-bearing at 1.8% (2024: 1.8%) per annum and recoverable within one year, the remaining amounts comprise advances to business partners for business cooperations, general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry, the amounts are unsecured, interest-free and repayable on demand.
- (d) The amount represents commission paid to property agents in PRC in advance after entering into pre-sale agreements and receiving deposits from customers. These payments are expected to be recognised in profit or loss within twelve months from the end of the reporting period at the point in time when the properties are completed and control is transferred to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15 AMOUNTS DUE FROM RELATED PARTIES, JOINT VENTURES AND ASSOCIATED COMPANIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Receivables from related parties		
Companies controlled by the controlling shareholders	3,568	2,925
Associated companies	247,116	245,891
Joint ventures	347,397	347,338
Less: Provision for impairment of receivables from related parties	(37,300)	(28,600)
	560,781	567,554

Notes:

- (a) The amounts due from related parties, joint ventures and associated companies are non-trade in nature, unsecured, interest-free and repayable on demand.
- (b) The carrying amounts of amounts due from related parties, joint ventures and associated companies approximate their fair values.
- (c) As at 31 December 2025 and 2024, the ECLs of the amounts due from related parties, joint ventures and associated companies were assessed under the basis as set out in Note 3(b) and the ECLs were recognised in profit or loss.

16 AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS

Except for a balance of RMB102,751,000 (2024: RMB102,751,000) due from a non-controlling interest, Xian Gongheng Zhiye Co Ltd., as at 31 December 2025 which is interest bearing at 7.15% (2024: 7.15%) per annum, unsecured and repayable on demand, the remaining balances of the amounts due from non-controlling interests and the amounts due to non-controlling interests were unsecured, interest-free, repayable on demand and non-trade in nature.

The movement of ECLs of amounts due from non-controlling interest for the year ended 31 December 2025 amounted to an addition of RMB121,200,000 (2024: addition and reversal of RMB39,110,000 and RMB6,190,000 respectively), were recognised in profit or loss and were assessed under the basis as set out in Note 3(b).

17 CASH AND CASH EQUIVALENTS/RESTRICTED CASH

As at 31 December 2025, the Group's cash of approximately RMB1,750,000 and RMB2,000,000 (2024: RMB3,329,000 and RMB2,000,000) in certain banks was restricted mainly due to court order in the cases related to construction contracts with the suppliers and foreclosures by the proprietor claims due to default of mortgage repayment by the property purchasers respectively.

The conversion of RMB denominated balances into foreign currencies and the remittance of the foreign currencies out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18 OTHER FINANCIAL ASSETS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Opening balance	27,795	27,550
Addition	—	245
Ending balance	27,795	27,795
Less: Non-current portion	(27,795)	(27,795)
Current portion	—	—
	As at 31 December	
	2025 RMB'000	2024 RMB'000
Equity investments measured at FVTOCI — Non-current		
Unlisted equity shares (Note)	27,795	27,795

Note: Other financial assets mainly represented unlisted equity investment of 10% in a PRC shareholding limited company engaging in micro-lending businesses and are stated at fair value. There is no significant change in fair value of the financial assets for the years ended 31 December 2025 and 2024 from the investment cost. During the years ended 31 December 2025 and 2024, no dividend was declared by this entity and was received by the Group.

The Group classifies equity securities which are held as strategic investment not for trading, and which are elected irrevocably at initial recognition to recognise as FVTOCI in this category.

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19 NON-CONTROLLING INTERESTS

Material non-controlling interests

Among the total non-controlling interests of RMB1,109,879,000 as at 31 December 2025 (2024: RMB1,081,450,000), the significant balances mainly related to two PRC subsidiaries, which are Nanjing Mingmao Real Estate Co., Ltd (“**Nanjing Mingmao**”) and Fengxian Mingcheng Real Estate Development Co., Ltd (“**Fengxian Mingcheng**”) respectively holding an equity interest of 49% (2024: 49%) and 30% (2024: 30%) with a carrying amount of RMB101,078,000 (2024: RMB101,224,000) and RMB237,851,000 (2024: RMB244,171,000) respectively. The Group considered the other non-controlling interests as immaterial for disclosure.

Set out below is the summarised financial information for Nanjing Mingmao and Fengxian Mingcheng. The financial information represents the amounts before intra-group transactions elimination.

Summarised statements of financial position

	Nanjing Mingmao As at 31 December		Fengxian Mingcheng As at 31 December	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Assets	599,846	1,918,219	1,200,956	1,210,960
Liabilities	(399,643)	(1,717,719)	(469,447)	(462,394)
Total current net assets	200,203	200,500	731,509	748,566
Non-current				
Assets	6,079	6,079	61,326	65,337
Total non-current net assets	6,079	6,079	61,326	65,337
Net assets	206,282	206,579	792,835	813,903
Accumulated non-controlling interests	101,078	101,224	237,851	244,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19 NON-CONTROLLING INTERESTS (continued)

Material non-controlling interests (continued)

Summarised statements of profit or loss and other comprehensive income

	Nanjing Mingmao Year ended 31 December		Fengxian Mingcheng Year ended 31 December	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	—	—	4,349	549,154
(Loss)/profit before income tax	(297)	(329)	(21,068)	52,158
Income tax (expense)/credit	—	1,324	—	(48,368)
Change in capital reserve	—	—	—	25,140
(Loss)/profit after income tax and total comprehensive income	(297)	995	(21,068)	28,930
Capital reduction	—	(810,000)	—	—
Dividend paid	—	(420,000)	—	—
(Loss)/profit allocated to non-controlling interests	(146)	488	(6,320)	8,679
Dividend paid to non-controlling interest	—	(205,800)	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19 NON-CONTROLLING INTERESTS (continued)

Material non-controlling interests (continued)

Summarised statements of cash flows

	Nanjing Mingmao Year ended 31 December		Fengxian Mingcheng Year ended 31 December	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities:				
Cash (used in)/generated from operations	(706)	(2,192)	(35,282)	15,753
PRC income tax refunded/(paid)	—	2,192	(1,056)	9,807
Net cash (used in)/generated from operating activities	(706)	—	(36,338)	25,560
Net cash generated from/(used in) financing activities	42	—	37,884	(25,413)
Net (decrease)/increase in cash and cash equivalents	(664)	—	1,546	147
Cash and cash equivalents at beginning of the year	1,289	1,289	2,471	2,324
Cash and cash equivalents at end of the year	625	1,289	4,017	2,471

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20 SHARE CAPITAL

	Par value HK\$	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent RMB
Authorised:				
At 1 January 2024, 31 December 2024 and at 31 December 2025	0.1	12,000,000,000	1,200,000,000	
Issued and fully paid:				
At 1 January 2024, 31 December 2024 and at 31 December 2025	0.1	6,093,451,026	609,345,103	536,280,877

21 DEFERRED GOVERNMENT GRANTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening balance	992,344	1,037,802
Amortisation	(10,159)	(45,458)
Ending balance	982,185	992,344
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Representing:		
Original amount	2,141,488	2,141,488
Accumulated amortisation	(1,159,303)	(1,149,144)
Net carrying amount	982,185	992,344

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21 DEFERRED GOVERNMENT GRANTS (continued)

The analysis of government grants received by the Group is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
For the development of property projects	2,141,488	2,141,488

22 BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings included in non-current liabilities		
Bank borrowings — secured	2,787,532	2,110,728
Less: Amounts due within one year	(410,363)	(276,000)
	2,377,169	1,834,728
Borrowings included in current liabilities		
Current portion of long-term secured bank borrowings	410,363	276,000
Total	2,787,532	2,110,728

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22 BORROWINGS (continued)

Details on borrowings

As at 31 December 2025, all the Group's borrowings of RMB2,787,532,000 (2024: RMB2,110,728,000) were secured by its investment properties (Note 7), leasehold interests in land (Note 10), properties under development (Note 10) and completed properties held for sale (Note 13).

At the end of the reporting period, total current and non-current borrowings were scheduled to repay as follows:

	2025 RMB'000	2024 RMB'000
On demand or within one year	410,363	276,000
More than one year, but not exceeding two years	281,629	428,835
More than two years, but not exceeding five years	958,440	449,273
After five years	1,137,100	956,620
	2,787,532	2,110,728

The effective interest rates of the borrowings at 31 December 2025 and 2024 were as follows:

	As at 31 December 2025	2024
Bank borrowings	4.7%	5.20%

The carrying amounts and fair values of non-current borrowings are as follows:

	Carrying amounts RMB'000	Fair values RMB'000
As at 31 December 2025		
Bank borrowings (Note)	2,377,169	2,822,217
As at 31 December 2024		
Bank borrowings (Note)	1,834,728	2,406,406

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22 BORROWINGS (continued)

Details on borrowings (continued)

Note:

The fair values of non-current borrowings are based on cash flows discounted using rates based on weighted average borrowing rate of 5% as at 31 December 2025 (2024: 5.5%).

The fair values of current borrowings approximate to their carrying amounts.

23 CONTRACT LIABILITIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contract liabilities arising from:		
Properties development	4,122,076	5,580,937
Other services	19,340	16,343
	4,141,416	5,597,280

Typical payment terms which impact on the amounts of contract liabilities are as follows:

Properties development

The Group requires deposits on certain percentage of selling price of properties sold as stated in the sales and purchase agreement before the transfer of properties.

Other services

The Group requires deposits for the advance reservation of hotel accommodation with the remainder of the consideration at the completion of services provided.

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23 CONTRACT LIABILITIES (continued)

Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
Balance as at 1 January	5,597,280	8,856,897
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at beginning of year	(3,593,405)	(8,043,630)
Increase in contract liabilities as a result of receiving deposits from customers	2,137,541	4,801,720
Disposal of subsidiaries	—	(17,707)
Balance at 31 December	4,141,416	5,597,280

RMB3,593,405,000 of the contract liabilities as of 1 January 2025 (2024: RMB8,043,630,000) has been recognised as revenue for the year ended 31 December 2025 upon the satisfaction of performance obligations.

As at 31 December 2025, the aggregated amount of the transaction price received and allocated to the remaining performance obligations not yet satisfied by the Group as at 31 December 2025 under the Group's existing contracts of sales of properties outstanding as of 31 December 2025 amounted to RMB4,141,416,000 (2024: RMB5,597,280,000). The Group will recognise the expected revenue in future based on the appropriate accounting policies as described in Note 2(r).

The Group has applied the practical expedient under HKFRS 15 to contracts in relation to hotel operation and other ancillary services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations as in general, those contracts in relation to hotel operation and other ancillary services have an original expected duration of one year or less.

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24 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred income taxes related to the same tax authority. The net deferred income tax balances after offsetting are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred income tax assets		
— to be recovered after 12 months	23,890	80,731
— to be recovered within 12 months	29,453	62,546
	53,343	143,277
Deferred income tax liabilities		
— to be settled after 12 months	(1,468,510)	(1,773,196)
— to be settled within 12 months	(607,382)	(516,497)
	(2,075,892)	(2,289,693)
	(2,022,549)	(2,146,416)

The net movement on the deferred income tax assets and deferred income tax liabilities is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening balance	2,146,416	2,249,003
Charged to the consolidated statement of profit or loss (Note 32)	(123,867)	(102,587)
Ending balance	2,022,549	2,146,416

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24 DEFERRED INCOME TAX (continued)

Deferred income tax assets

Movement in deferred income tax assets and liabilities for the years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Temporary differences on recognition of sales and related cost of sales RMB'000	Temporary differences on recognition of land appreciation tax RMB'000	Temporary differences on recognition of tax losses RMB'000	Total RMB'000
As at 1 January 2025	120,733	6,868	43,192	170,793
Charged to the consolidated statement of profit or loss	(55,385)	(3,778)	(30,850)	(90,013)
As at 31 December 2025	65,348	3,090	12,342	80,780
As at 1 January 2024	305,784	8,590	46,353	360,727
Charged to the consolidated statement of profit or loss	(185,051)	(1,722)	(3,161)	(189,934)
As at 31 December 2024	120,733	6,868	43,192	170,793

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24 DEFERRED INCOME TAX (continued)

Deferred income tax liabilities

	Temporary difference on recognition of fair value gains of investment properties RMB'000	Temporary differences on revaluation surplus RMB'000	Temporary differences on recognition of sales and related cost of sales RMB'000	Withholding taxation on the unremitted earnings of certain subsidiaries RMB'000	Total RMB'000
As at 1 January 2025	(1,246,804)	(102,017)	(75,043)	(893,345)	(2,317,209)
(Charged)/credited to the consolidated statement of profit or loss	242,993	—	—	(29,113)	213,880
As at 31 December 2025	(1,003,811)	(102,017)	(75,043)	(922,458)	(2,103,329)
As at 1 January 2024	(1,617,219)	(102,017)	(75,043)	(815,451)	(2,609,730)
(Charged)/credited to the consolidated statement of profit or loss	370,415	—	—	(77,894)	292,521
As at 31 December 2024	(1,246,804)	(102,017)	(75,043)	(893,345)	(2,317,209)

Deferred income tax arose as a result of differences in timing of recognising certain revenues and costs. This constitutes temporary differences, being the differences between the carrying amounts of the assets or liabilities in the consolidated statement of financial position and its tax bases in accordance with HKAS 12.

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB609,823,000 (2024: RMB598,999,000) as at 31 December 2025 in respect of accumulated losses amounting to RMB2,439,292,000 (2024: RMB2,395,997,000) as at 31 December 2025. Accumulated losses as at 31 December 2025 amounting to RMB2,952,477,000 (2024: RMB2,841,817,000) will expire during years from 2026 to 2030 (2024: 2025 to 2029).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables (Note (a))	15,670,703	15,215,740
Other payables (Note (b))	7,395,847	7,157,066
Other taxes payable	636,503	602,560
	23,703,053	22,975,366

Notes:

- a. The ageing analysis of trade payables, based on invoice dates, as of the end of the year is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 90 days	848,061	1,233,565
Over 90 days and within 1 year	3,627,589	6,357,600
Over 1 year	11,195,053	7,624,575
	15,670,703	15,215,740

- b. Other payables comprise:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deposits and advances from contractors	129,408	87,112
Deposits received from tenants of investment properties	83,854	98,926
Advances from shareholders of associated companies and joint ventures (Note (i))	2,194,433	2,218,203
Advances from other parties (Note (ii))	352,900	362,891
Consideration payable to a joint operation partner	178,686	237,098
Commission payables	314,766	219,253
Accrual and other payables (Note (iii))	3,808,555	3,549,632
Provision for loss arising from financial guarantee agreements (Note (iv))	268,296	246,904
Miscellaneous	64,949	137,047
	7,395,847	7,157,066

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For the year ended 31 December 2025



25 TRADE AND OTHER PAYABLES (continued)

Notes: (continued)

b. Other payables comprise: (continued)

- i. As at 31 December 2025, except for advances from shareholders of associated companies and joint ventures amounted to RMB8,441,000 (2024: RMB11,027,000) in current portion which are unsecured, interest-bearing at 7% (2024: 7%) per annum and repayable on demand, the remaining balances are unsecured, interest-free and repayable on demand.

Included in the remaining balances is an advance from parent of an associated company of RMB2,185,992,000 (2024: RMB2,207,176,000) for the purpose of future capital injection to the associate company when needed.

- ii. As at 31 December 2025, the amount comprises: (a) advances from a third party amounted to RMB2,891,000 (2024: RMB2,891,000) which are unsecured, interest-bearing at rate of 12% (2024: 12%) per annum; and (b) advances from a third party amounted to RMB350,009,000 (2024: RMB360,000,000) which are guaranteed by a controlling shareholder and a wholly owned subsidiary of the Company, interest-bearing at rate of 3% (2024: 3%) per annum and repayable within one year.

- iii. The amount mainly comprises accruals of general and administrative expenses, salaries and operating expenses.

- iv. The amount mainly comprises a provision for loss arose from three financial guarantee contracts in respect of guarantee agreements entered into by a subsidiary of the Company in 2016 amounted to RMB34,990,000, RMB26,546,000 and RMB27,600,000 respectively and the respective interests accrued.

26 AMOUNTS DUE TO RELATED PARTIES, JOINT VENTURES AND ASSOCIATED COMPANIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Controlling shareholder		
Ms. Chen Bihua	1,645,332	1,886,711
Companies controlled by controlling shareholders	31,943	31,903
Joint ventures	175,125	2,922,636
Associated companies	475,373	928,273
	2,327,773	5,769,523

The amounts due to related parties, joint ventures and associated companies are non-trade in nature, unsecured, interest-free and repayable on demand.

The carrying amounts of amounts due to related parties, joint ventures and associated companies approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27 LEASE LIABILITIES

	Properties RMB'000
As at 1 January 2024	7,750
Interest expenses	1,004
Lease payments	(4,186)
As at 31 December 2024 and 1 January 2025	4,568
Interest expenses	625
Lease payments	(2,980)
As at 31 December 2025	2,213

Future lease payments are due as follows:

	Minimum lease payments 31 December 2025 RMB'000	Interest 31 December 2025 RMB'000	Present value 31 December 2025 RMB'000
Not later than one year	2,324	119	2,205
Later than one year and not later than two years	8	—	8
Later than two years and not later than five years	—	—	—
	2,332	119	2,213

	Minimum lease payments 31 December 2024 RMB'000	Interest 31 December 2024 RMB'000	Present value 31 December 2024 RMB'000
Not later than one year	2,980	626	2,354
Later than one year and not later than two years	2,324	118	2,206
Later than two years and not later than five years	8	—	8
	5,312	744	4,568

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For the year ended 31 December 2025



27 LEASE LIABILITIES (continued)

The present value of future lease payments are analysed as:

	2025 RMB'000	2024 RMB'000
Current liabilities	2,205	2,354
Non-current liabilities	8	2,214
	2,213	4,568
	2025 RMB'000	2024 RMB'000
Short-term lease expense	2,746	2,947
Aggregate undiscounted commitments for short term leases	965	1,120

During the year ended 31 December 2025, the total cash outflow for leases amount to approximately RMB5,726,000 (2024: RMB7,133,000).

Operating leases — lessor

The Group's investment properties are also leased to a number of tenants for varying terms. The rental income during the year ended 31 December 2025 was RMB328,926,000 (2024: RMB407,045,000).

The minimum rent receivables under non-cancellable operating leases are as follows:

	2025 RMB'000	2024 RMB'000
Not later than one year	169,064	183,369
Later than one year but not later than two years	149,167	186,205
Later than two years but not later than three years	140,822	179,377
Later than three years but not later than four years	139,451	176,456
Later than four years but not later than five years	135,751	173,892
Later than five years	865,426	510,820
	1,599,681	1,410,119

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For the year ended 31 December 2025

28 OTHER INCOME AND OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government grants (Note (a))	9	1,573
Net gain on disposal of equity interests of subsidiaries	—	25,343
Net gain/(loss) from disposal of property, plant and equipment	168	(33,612)
Net exchange gains/(loss) (Note (b))	12,831	(25,337)
Gain on deemed acquisition of equity interests of a joint venture which become a subsidiary (Note 36)	18,053	—
Gain on transferring properties held for sale for repayment of advance (Note (c))	—	663,968
Gain/(loss) from disposal of investment properties	144,679	(227,881)
Provision for the settlement of liabilities to a joint operation partner	—	(420,060)
Provision for financial guarantee	(21,392)	(21,392)
Miscellaneous	(3,323)	4,304
	151,025	(33,094)

Notes:

- The government grants represented subsidy income received from various local government authorities by certain subsidiaries. Grants from government were recognised in profit or loss when the Group fulfilled the attached conditions.
- Exchange differences mainly arise from the amount due to the controlling shareholder and other payables, which are denominated in USD and HKD.
- During 2016 to 2019, the Group advanced an amount of RMB1.7 billion in total from a local government enterprise. The advance had not been repaid until in 2020, the Group and the local government enterprise reached a mutual agreement, pursuant to which the advance and interest payable to the local government enterprise are to be settled by transferring an office building which was under construction by the Group. Based on the mutual agreement, the amount for settling the advance and interest payable is to be determined based on the fair value of the office building with not less than 2% discount granted to the local government enterprise. All the advances and related interest have been settled during the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



29 LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting) the following:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Staff costs — including directors' emoluments (Note (a))	220,721	264,106
Auditor's remuneration	2,929	3,631
Depreciation of property, plant and equipment	140,105	131,018
Depreciation of right-of-use assets under properties under development	47,722	48,272
Cost of properties sold	3,014,935	4,744,508
Business tax and other levies on sales and construction of properties (Note (b))	86,727	82,863
Direct outgoings arising from investment properties that generate rental income	174,464	178,011
Short-term leases expenses	2,746	2,947
Impairment loss on property, plant and equipment	—	84,497
Provision for impairment of completed properties held for sale	62,000	83,490
Hotel operating expenses	238,502	253,369
Net impairment loss on financial assets comprises:		
Net provision for impairment of trade receivables	26,520	139,329
Net provision for impairment of other receivables	10,000	226,200
Provision for/(reversal of) impairment of amounts due from related parties, joint ventures and associated companies	8,700	(4,400)
Net provision for impairment of amounts due from non-controlling interests	121,200	32,920
	166,420	394,049

Notes:

a. Staff costs (including directors' emoluments)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages and salaries	197,907	233,774
Pension costs — defined contribution plans	18,010	24,746
Other allowances and benefits	4,804	5,586
	220,721	264,106

b. Business tax and other levies on sales and construction of properties

The PRC companies of the Group are subject to business tax of 5% and other levies on their revenues from sale and construction of properties. These expenses are included in cost of sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Finance income		
— interest income on bank deposits	3,225	8,737
— Other interest income	—	44,292
Total finance income	3,225	53,029
Finance costs		
— Interest expenses on bank borrowings	(134,061)	(61,854)
— Interest expenses on other borrowings and advances from other parties	(16,328)	(16,632)
— Interest expenses on lease liabilities	(625)	(1,004)
Less: Interest capitalised	150,389	78,486
Total finance costs	(625)	(1,004)
Net finance income	2,600	52,025

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31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' and chief executive's emoluments

The emoluments of each executive of the Company for the year ended 31 December 2025 is set out below:

Name	Fees RMB'000	Salaries RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors				
Mr. Zhong Xiaoming (Note a)	—	—	—	—
Mr. Ng Man Fung Walter	—	1,356	17	1,373
Ms. Shang Xuan	—	581	17	598
Mr. Huang Zhibin (Note b)	—	99	—	99
Non-executive director				
Dr. Lam, Lee G.	879	—	—	879
Ms. Chen Bihua (Note c)	74	—	—	74
Independent non-executive directors				
Mr. Lau Kin Hon	275	—	—	275
Mr. Chu Kin Wang Peleus	275	—	—	275
Mr. Chan Sing Lai	275	—	—	275
	1,778	2,036	34	3,848

Note:

- (a) Mr. Zhong Xiaoming resigned as executive director on 1 January 2025.
- (b) Mr. Huang Zhibin was appointed as executive director on 9 October 2025.
- (c) Ms. Chen Bihua was appointed as non-executive director on 9 October 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' and chief executive's emoluments (continued)

The emoluments of each executive of the Company for the year ended 31 December 2024 is set out below:

Name	Fees RMB'000	Salaries RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors				
Mr. Zhong Xiaoming (Note b)	—	1,367	—	1,367
Mr. Ng Man Fung Walter	—	1,597	16	1,613
Ms. Shang Xuan (Note a)	—	155	4	159
Non-executive director				
Dr. Lam, Lee G.	985	—	—	985
Independent non-executive directors				
Mr. Lau Kin Hon	274	—	—	274
Mr. Chu Kin Wang Peleus	274	—	—	274
Mr. Chan Sing Lai	274	—	—	274
	1,807	3,119	20	4,946

Notes:

(a) Ms. Shang Xuan was appointed as executive director on 2 October 2024.

(b) Mr. Zhong Xiaoming resigned as executive director on 1 January 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(b) Five highest paid individuals

During the year ended 31 December 2025, one (2024: two) of the five highest paid individuals are directors of the Company, whose emoluments are reflected in the analysis presented above.

The aggregate amounts of emoluments of the remaining four (2024: three) highest paid individuals for the year ended 31 December 2025 are set out below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Basic salaries and allowance	6,510	4,785
Retirement scheme contributions	89	22
	6,599	4,807

The emoluments of all highest paid, non-director individuals for the years ended 31 December 2025 and 2024 presented fall within the range of following bands:

	Number of individuals	
	2025	2024
Emolument bands		
HK\$500,001–HK\$1,000,000	—	—
HK\$1,000,001–HK\$1,500,000	2	2
HK\$1,500,001–HK\$2,000,000	1	—
HK\$2,000,001–HK\$2,500,000	1	1

- (c) During the year ended 31 December 2025, no retirement benefits operated by the Group were paid or made, directly or indirectly, to or receivable by a director in respect of his services as a director or other services in connection with the management of the affairs of the Company or its subsidiaries (2024: Nil).

During the year ended 31 December 2025, no payments or benefits in respect of termination of director's services were paid or made, directly or indirectly, to or receivable by a director; nor are any payable (2024: Nil).

During the year ended 31 December 2025, no consideration was provided to or receivable by third parties for making available director's services (2024: Nil).

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31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

- (d) No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the year (2024: Nil).
- (e) No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

32 INCOME TAX EXPENSE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax		
— PRC enterprise income tax	120,999	495,970
— PRC land appreciation tax	95,562	270,943
	216,561	766,913
Deferred income tax (note 24)		
— PRC enterprise income tax	(152,980)	(180,481)
— PRC withholding income tax	29,113	77,894
	(123,867)	(102,587)
	92,694	664,326

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32 INCOME TAX EXPENSE (continued)

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

i. Reconciliation of PRC enterprise income tax

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before income tax	(1,106,054)	(1,144,824)
PRC land appreciation tax	(95,562)	(270,943)
	(1,201,616)	(1,415,767)
Calculated at PRC enterprise income tax rate of 25%	(300,404)	(353,942)
Effect of expenses not deductible for income tax purposes (Note (a))	317,395	646,182
Income not subject to tax (Note (b))	(59,796)	(40,664)
Tax losses not recognised as deferred tax assets	10,824	63,913
PRC enterprise income tax	(31,981)	315,489

Notes:

- Effect of expenses not deductible for income tax purposes mainly resulted from certain intra-group or related party transactions, donation expenses, unrealised exchange loss, ECLs, capitalised bank borrowing cost, share of losses of associates and fair value loss on investment properties.
- Income not subject to tax mainly comprises share of profits of joint ventures and unrealised exchange gain.

ii. Total tax expense

Hong Kong profits tax

No provision has been made for Hong Kong profits tax as the Group has no assessable profit subject to Hong Kong profits tax for the year (2024: Nil).

Under two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

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32 INCOME TAX EXPENSE (continued)

ii. Total tax expense (continued)

PRC enterprise income tax

PRC enterprise income tax is provided for at 25% (2024: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

PRC land appreciation tax

PRC land appreciation tax 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 cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

PRC withholding income tax

According to the Enterprise Income Tax Law of the PRC and its detailed implementation regulations, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their invested entities in the PRC declare their dividends out of the profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied, subject to approval of local tax authorities, when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Group accrues for the PRC withholding income tax based on the tax rate of 5% for its immediate holding companies which are established in Hong Kong.

33 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2025 (2024: Nil).

34 LOSS PER SHARE

Basic and diluted

Basic loss per share for the years ended 31 December 2025 and 2024 are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no dilutive options and other dilutive potential ordinary shares in issue during 2025 and 2024, diluted loss per share are the same as basic loss per share.

	Year ended 31 December	
	2025	2024
Loss attributable to equity holders of the Company (RMB'000)	(1,227,177)	(1,791,055)
Weighted average number of ordinary shares in issue (thousands)	6,093,451	6,093,451
Basic and diluted loss per share (RMB cents)	(20.1)	(29.4)

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Particulars of the significant subsidiaries, associated companies and joint ventures of the Group as at 31 December 2025 and 2024 are as follows:

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
			2025	2024	2025	2024	2025	2024		
Subsidiaries — established and operating in the PRC										
Mingfa Group Company Limited 明發集團有限公司	6 November 2001	Foreign investment enterprise	HK\$1,000,000,000	HK\$1,000,000,000	HK\$1,000,000,000	HK\$1,000,000,000	100%	100%	Property development and investment holding	
Xiamen Mingfa Group Co., Ltd. 廈門明發集團有限公司	7 January 1998	Domestic enterprise	RMB200,000,000	RMB200,000,000	RMB200,000,000	RMB200,000,000	100%	100%	Property development and investment holding	
Mingfa Group (Zhangzhou) Real Estate Co., Ltd. 明發集團(漳州)房地產開發有限公司	13 February 2007	Sino-foreign joint venture	HK\$230,000,000	HK\$230,000,000	HK\$230,000,000	HK\$230,000,000	100%	100%	Property development and investment holding	
Mingfa Group Wuxi Real Estate Exploiture Co., Ltd. 明發集團無錫房地產開發有限公司	12 December 2003	Sino-foreign joint venture	RMB30,000,000	RMB30,000,000	RMB30,000,000	RMB30,000,000	100%	100%	Property development and investment holding	
Mingfa Group Yangzhou Real Estate Co., Ltd. 明發集團揚州房地產開發有限公司	18 October 2006	Sino-foreign joint venture	US\$10,000,000	US\$10,000,000	US\$10,000,000	US\$10,000,000	100%	100%	Property development and investment holding	
Mingfa Group (Hefei) Real Estate Co., Ltd. 明發集團(合肥)房地產開發有限公司	1 November 2005	Sino-foreign joint venture	US\$2,000,000	US\$2,000,000	US\$2,000,000	US\$2,000,000	100%	100%	Property development and investment holding	
Mingfa Group Nanjing Real Estate Co., Ltd. 明發集團南京房地產開發有限公司	12 July 2002	Sino-foreign joint venture	US\$1,260,000,000	US\$1,260,000,000	US\$60,000,000	US\$ 60,000,000	100%	100%	Property development and investment holding	
Nanjing Pearl Spring Mingfa Holiday Village Hotel Co., Ltd. 南京明發珍珠泉大酒店有限公司	15 September 2004	Sino-foreign joint venture	US\$120,578,000	US\$120,578,000	US\$19,804,000	US\$19,804,000	100%	100%	Hotel operation	
Xiamen Mingfa Hotel Co., Ltd. 廈門明發大酒店有限公司	14 December 1999	Domestic enterprise	RMB65,100,000	RMB65,100,000	RMB1,680,000	RMB65,000,000	100%	100%	Property investment and investment holding	
Xiamen Mingfa Real Estate Development Co., Ltd. 廈門明發房地產開發有限公司	21 October 1994	Foreign investment enterprise	RMB1,680,000	RMB1,680,000	HK\$10,000,000	RMB1,680,000	100%	100%	Property development and investment holding	
Xiamen Ming Sheng Investment Management Co., Ltd. 明勝世家(廈門)物業管理有限公司	18 April 2006	Sino-foreign joint venture	HK\$10,000,000	HK\$10,000,000	RMB65,000,000	HK\$10,000,000	51%	51%	Property management	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — established and operating in the PRC (continued)										
Xiamen Mingfa Furniture Co., Ltd. 廈門明發傢俱工業有限公司	5 September 1994	Sino-foreign joint venture	RMB80,000,000	RMB8,880,000	RMB80,000,000	RMB38,000,000	100%	100%	Furniture manufacturing and investment holding	
Nan'an Hengxin Real Estate Development Co., Ltd. 南安市恒信房地產開發有限公司	28 November 2006	Domestic enterprise	RMB204,080,000	RMB80,000,000	RMB8,000,000	RMB80,000,000	100%	100%	Property development	
Mingfa Group Shanghai Industry Co., Ltd. 明發集團上海實業有限公司	10 January 2007	Domestic enterprise	US\$23,500,000	RMB204,080,000	RMB100,000,000	RMB100,000,000	100%	100%	Property development	
Nanjing Mingfa Xinhewan Hotel Co., Ltd. 南京明發新河灣大酒店有限公司	17 December 2007	Foreign investment enterprise	RMB30,000,000	US\$23,500,000	US\$23,500,000	US\$23,500,000	100%	100%	Hotel operation	
Leun Fung (Xiamen) Furniture City Co., Ltd. 聯豐(廈門)傢俱城有限公司	15 September 1993	Sino-foreign joint venture	RMB8,880,000	RMB30,000,000	RMB30,080,000	RMB30,000,000	100%	100%	Property investment and investment holding	
Nan'an Honglai Town Construction Co., Ltd. 南安市洪瀨鎮鎮區建設有限公司	18 October 1999	Domestic enterprise	RMB2,380,000	RMB2,380,000	RMB30,000,000	RMB30,080,000	100%	100%	Property development	
Quanzhou Mingfa Hotel Co., Ltd. 泉州明發大酒店有限公司	25 August 1998	Sino-foreign joint venture	RMB160,000,000	RMB160,000,000	RMB160,000,000	RMB160,000,000	100%	100%	Hotel operation and investment holding	
Mingfa Group (Huai'an) Real Estate Co., Ltd. 淮安明發房地產開發有限公司	28 January 2008	Domestic enterprise	RMB50,505,050	RMB50,505,050	RMB50,505,050	RMB50,505,050	100%	100%	Property development	
Xiamen Jianqin Real Estate Development Co., Ltd. 廈門建勤房地產開發有限公司	16 May 2002	Foreign investment enterprise	HK\$8,000,000	HK\$8,000,000	HK\$8,000,000	HK\$8,000,000	100%	100%	Property development	
Xiamen Rui Feng Electronics Technology Co. Ltd. 廈門瑞豐光電科技有限公司	16 December 2004	Foreign investment enterprise	HK\$810,000,000	HK\$10,000,000	HK\$810,000,000	HK\$10,000,000	100%	100%	Property development and investment holding	
Wuxi Mingwah Property Development Co., Ltd. 無錫明華房地產開發有限公司	12 December 2006	Foreign investment	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development and investment holding	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
			2025	2024	2025	2024	2025	2024		
Subsidiaries — established and operating in the PRC (continued)										
Mingfa Group Beijing Real Estate Co., Ltd. 明發集團北京房地產開發有限公司	22 October 2009	Domestic enterprise	RMB1,010,000,000	RMB1,010,000,000	RMB1,000,000,000	RMB1,000,000,000	100%	100%	Property development and investment holding	
Zhenjiang Hanxiang Real Estate Co., Ltd. 鎮江漢翔房地產有限公司	16 March 2005	Foreign investment enterprise	US\$33,000,000	US\$33,000,000	US\$33,000,000	US\$33,000,000	100%	100%	Property development and investment holding	
Mingfa Xinyue (Shenyang) Real Estate Co., Ltd. 明發星悅(瀋陽)房地產開發有限公司	24 March 2010	Foreign investment enterprise	US\$30,000,000	US\$30,000,000	US\$30,000,000	US\$30,000,000	100%	100%	Property development	
Horgos Zhenxinhua Consulting Co., Ltd. 霍爾果斯振鑫華諮詢服務有限公司	4 August 2017	Domestic enterprise	RMB10,000,000	RMB10,000,000	RMB10,000,000	RMB10,000,000	100%	100%	Consultant service	
Mingfa Shuiyun (Shenyang) Real Estate Co., Ltd. 明發水韵(瀋陽)房地產開發有限公司	24 March 2010	Foreign investment enterprise	US\$2,000,000	US\$2,000,000	US\$2,000,000	US\$2,000,000	100%	100%	Property development	
Ming Sheng (Hefei) Property Management Co., Ltd. 明勝(合肥)物業服務經營管理有限公司	2 June 2010	Foreign investment enterprise	HK\$5,000,000	HK\$5,000,000	HK\$5,000,000	HK\$5,000,000	100%	100%	Property management	
Ming Sheng (Yangzhou) Property Management Co., Ltd. 明勝(揚州)商業管理有限公司	26 April 2010	Foreign investment enterprise	HK\$4,930,000	HK\$4,930,000	HK\$4,930,000	HK\$4,930,000	100%	100%	Property management	
Ming Sheng (Wuxi) Property Management Co., Ltd. 明勝(無錫)物業經營管理有限公司	15 July 2010	Foreign investment enterprise	HK\$5,000,000	HK\$5,000,000	HK\$5,000,000	HK\$5,000,000	100%	100%	Property management	
Mingsheng (Zhangzhou) Property Management Service Co., Ltd. 明勝(漳州)物業經營服務有限公司	21 May 2010	Foreign investment enterprise	RMB5,000,000	RMB5,000,000	RMB5,000,000	RMB5,000,000	100%	100%	Property management	
Mingfa (Huizhou) Real Estate Co., Ltd. 明發(惠州)房地產開發有限公司	9 November 1991	Foreign investment enterprise	US\$27,760,000	US\$27,760,000	US\$27,760,000	US\$27,760,000	80%	80%	Property development	
Yangzhou Mingfa Hotel Co., Ltd. 揚州明發大酒店有限公司	18 July 2011	Foreign investment enterprise	US\$19,480,000	US\$19,480,000	US\$19,480,000	US\$19,480,000	100%	100%	Hotel operation	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
			2025	2024	2025	2024	2025	2024		
Subsidiaries — established and operating in the PRC (continued)										
Mingfa Group Taizhou Real Estate Co., Ltd. 明發集團泰州房地產開發有限公司	11 August 2011	Foreign investment enterprise	US\$9,500,000	US\$9,500,000	US\$9,500,000	US\$9,500,000	100%	100%	Property development and investment holding	
Mingfa Group (Tianjin Binhai New Area) Real Estate Development Co., Ltd. 明發集團(天津濱海新區)房地產開發有限公司	8 September 2011	Foreign investment enterprise	US\$30,000,000	US\$30,000,000	US\$30,000,000	US\$30,000,000	100%	100%	Property development and investment holding	
Nanan Mingfa Real Estate Development Co., Ltd 南安明發房地產開發有限公司	12 October 2019	Domestic enterprise	RMB123,270,000	RMB123,270,000	RMB123,270,000	RMB72,770,000	100%	100%	Property development	
Huai'an Mingfa International Hotel Co., Ltd. 淮安明發國際大酒店有限公司	16 November 2011	Foreign investment enterprise	US\$26,419,865	US\$26,419,865	US\$26,419,865	US\$26,419,865	100%	100%	Hotel operation	
Mingfa (Longhai) Real Estate Company Limited 明發(龍海)房地產開發有限公司	24 February 2012	Foreign investment enterprise	HK\$66,666,700	HK\$66,666,700	HK\$66,666,700	HK\$66,666,700	100%	100%	Property development	
Mingfa Group (Shenzhen) Real Estate Company Limited 明發集團(深圳)房地產開發有限公司	21 May 2012	Domestic enterprise	RMB10,101,000	RMB10,101,000	RMB10,000,000	RMB10,000,000	100%	100%	Property development	
Lanzhou Mingfa Zhongke Real Estate Co., Ltd. 蘭州明發中科房地產開發有限公司	15 March 2011	Sino-foreign joint venture	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	51%	51%	Property development	
Quanzhou Mingfa Commercial City Development and Construction Co., Ltd. 泉州明發商業城開發建設有限公司	12 March 2010	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	100%	100%	Property development	
Mingfa (China) Investments Company Limited 明發(中國)投資有限公司	23 October 2012	Foreign investment enterprise	US\$150,000,000	US\$150,000,000	US\$120,000,000	US\$120,000,000	100%	100%	Investment holding	
Nanjing Mingfa New Town Real Estate Company Limited 南京明發新城置業有限公司	24 December 2012	Domestic enterprise	RMB10,000,000	RMB10,000,000	—	—	100%	100%	Property development	
Mingfa Shanghe (Shenyang) Real Estate Co., Ltd. 明發上河(瀋陽)房地產開發有限公司	21 March 2013	Domestic enterprise	RMB10,100,000	RMB10,100,000	RMB10,100,000	RMB10,100,000	100%	100%	Property development	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — established and operating in the PRC (continued)										
Mingfa Group Lianyungang Real Estate Development Co., Ltd. 明發集團連雲港房地產開發有限公司	1 November 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Mingfa Group Suqian Real Estate Development Co., Ltd. 明發集團宿遷房地產開發有限公司	26 September 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	70%	70%	Property development	
Chuzhou Mingsheng City Development Co., Ltd 滁州明盛城市開發有限公司	4 September 2019	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	100%	100%	Property development	
Ping Liang Shi Ding Sheng Real Estate Co., Ltd 平涼市鼎盛置業投資有限公司	20 April 2007	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	60%	60%	Property development	
Mingfa Group Nanjing Pukou Real Estate Co., Ltd. 明發集團南京浦口房地產開發有限公司	25 November 2013	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	100%	100%	Property development	
Mingfa Group (Ma An Shan) Industrial Co., Ltd. 明發集團(馬鞍山)實業有限公司	20 November 2013	Foreign investment enterprise	US\$10,000,000	US\$10,000,000	US\$10,000,000	US\$10,000,000	100%	100%	Property development	
Mingfa Group (Zi Bo) Real Estate Co., Ltd. 明發集團(濰博)房地產開發有限公司	22 August 2013	Domestic enterprise	RMB20,200,000	RMB20,200,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Nanjing Mingfa Technological and Commercial Town Construction Development Co., Ltd. 南京明發科技商務城建設發展有限公司	9 September 2005	Sino-foreign joint venture	US\$448,980,000	US\$448,980,000	US\$448,079,550	US\$448,079,550	100%	51%	Property development	(b)
Nanjing Chunhe Electronic Co., Ltd. 南京春和電子有限公司	11 April 2007	Domestic enterprise	RMB18,000,000	RMB18,000,000	RMB18,000,000	RMB18,000,000	100%	28.3%	Property development	(b)
Nanjing Lichang Light and Electronic Technology Co., Ltd. 南京立昌光電科技有限公司	10 April 2007	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	30.6%	Property development	(b)
Nanjing Lianchang Engineering Co., Ltd. 南京聯昌機電有限公司	13 April 2007	Domestic enterprise	RMB15,000,000	RMB15,000,000	RMB15,000,000	RMB15,000,000	100%	51%	Property development	(b)
Nanjing Mingfa High District Property Co., Ltd. 南京明發高區置業有限公司	17 June 2013	Domestic enterprise	RMB122,610,000	RMB122,610,000	RMB122,610,000	RMB122,610,000	100%	51%	Property development	(b)

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
			2025	2024	2025	2024	2025	2024		
Subsidiaries — established and operating in the PRC (continued)										
Mingsheng (Quanzhou) Property Management Co., Ltd. 明勝(泉州)物業管理有限公司	18 October 2011	Sino-foreign joint venture	RMB50,000,000	RMB5,000,000	RMB5,000,000	RMB5,000,000	100%	100%	Property management	
Nanjing Mingmao Real Estate Co., Ltd. 南京明茂置業有限公司	05 February 2015	Domestic enterprise	RMB10,000,000	RMB10,000,000	—	—	51%	51%	Property development	
Nanjing Mingfa PuTai Real Estate Co., Ltd. 南京明發浦泰置業有限公司	16 March 2015	Domestic enterprise	RMB1,010,000	RMB1,010,000	—	—	100%	100%	Property development	
Zhangzhou Mingfa Wyndham Hotel Co., Ltd 漳州明發溫德姆酒店有限公司	7 August 2014	Domestic enterprise	RMB30,300,000	RMB30,300,000	RMB30,000,000	RMB30,000,000	100%	100%	Hotel operation	
Hefei Mingfa International Hotel Co., Ltd 合肥明發國際大酒店有限公司	3 January 2014	Domestic enterprise	RMB10,000,000	RMB10,000,000	—	—	100%	100%	Hotel operation	
Mingfa Group Guang'an Real Estate Co., Ltd 明發集團廣安房地產開發有限公司	17 March 2014	Domestic enterprise	RMB122,448,980	RMB122,448,980	RMB20,000,000	RMB122,448,980	100%	100%	Property development	
Mingfa Group Nanjing Ruiye Real Estate Co., Ltd 明發集團南京瑞業房地產開發有限公司	28 May 2013	Domestic enterprise	RMB20,000,000	RMB20,000,000	USD7,799,948	RMB20,000,000	40%	40%	Property development	(a)
Mingfa Group Anhui Jinzhai City Development Co., Ltd 明發集團安徽金寨城市開發有限公司	9 December 2014	Domestic enterprise	RMB10,000,000	RMB10,000,000	—	—	50%	100%	Property development and investment holding	
Nanjing Mingfa Golf Club Co., Ltd. 南京明發高爾夫球俱樂部有限公司	23 May 1992	Sino-foreign enterprise	US\$30,800,000	US\$30,800,000	US\$7,799,948	US\$7,799,948	50%	50%	Sport	(a)
Dongzhi Mingfa Group International Hotel Co., Ltd 東至明發國際大酒店有限公司	28 May 2019	Domestic enterprise	RMB5,000,000	RMB5,000,000	RMB50,000,000	—	100%	100%	Hotel operation	
Xiamen Zhong Ao Cheng Property Co., Ltd. 廈門中澳城置業有限公司	16 June 2014	Domestic enterprise	RMB50,000,000	RMB50,000,000	RMB122,448,980	RMB50,000,000	51%	51%	Property development	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
								2025		
Subsidiaries — established and operating in the PRC (continued)										
Nanjing Mingfa Technology Investment Development Co., Ltd. 南京明發科技投資發展有限公司	18 June 2012	Domestic enterprise	RMB1,000,000,000	RMB1,000,000,000	RMB1,000,000,000	RMB1,000,000,000	100%	100%	Property development	
Mingfa Group Nanjing Digital Valley Information Technology Co., Ltd 明發集團南京數谷信息科技有限公司	17 July 2003	Domestic enterprise	RMB20,202,000	RMB20,202,000	RMB20,000,000	RMB20,000,000	100%	100%	Trading of construction materials	
Xiamen Hongyuan Gaotai Trade Co., Ltd. 廈門弘源高泰貿易有限公司	20 December 2016	Domestic enterprise	RMB30,000,000	RMB30,000,000	RMB30,000,000	RMB30,000,000	100%	100%	Trading of construction materials	
Mingfa Group Nanjing Xiang Ye Real Estate Co., Ltd. 明發集團南京祥業房地產開發有限公司	3 June 2016	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Nanjing Mingfa Business Management Co., Ltd. 南京明發商業管理有限公司	1 June 2016	Sino-foreign joint venture	RMB675,030,000	RMB675,030,000	RMB675,030,000	RMB675,030,000	80%	80%	Hotel operation	
Mingfa Group (Ma On Shan) Environmental Construction Co., Ltd. 明發集團 (馬鞍山) 環境建設有限公司	24 October 2016	Domestic enterprise	US\$3,000,000	US\$3,000,000	—	—	100%	100%	Property development	
Jurong Minke Real Estate Development Co., Ltd 句容閔科房地產開發有限公司	22 June 2017	Domestic enterprise	RMB7,830,000	RMB7,830,000	—	—	100%	100%	Property development	
Quanjiao Mingfa Industrial Co., Ltd. 全椒明發實業有限公司	8 October 2016	Domestic enterprise	RMB40,000,000	RMB40,000,000	RMB100,000,000	RMB100,000,000	100%	100%	Property development	
He Xian Mingfa Jiangwan Hotel Co., Ltd 和縣明發江灣大酒店有限公司	4 May 2016	Domestic enterprise	RMB50,500,000	RMB50,500,000	RMB50,500,000	RMB50,500,000	100%	100%	Property development and investment holding	
Jinzhai Grand Hotel Co., Ltd. 金寨大飯店有限公司	1 December 2016	Domestic enterprise	RMB21,010,000	RMB21,010,000	—	—	100%	100%	Property development	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — established and operating in the PRC (continued)										
Mingfa Group Qingyang City Development Co., Ltd. 明發集團青陽城市開發有限公司	22 July 2019	Domestic enterprise	RMB202,020,200	RMB202,020,200	—	—	100%	100%	Property development	
Mingfa Group (Xinyi) Real Estate Development Co., Ltd. 明發集團(新沂)房地產開發有限公司	17 June 2019	Domestic enterprise	US\$20,000,000	US\$20,000,000	US\$20,000,000	US\$20,000,000	100%	100%	Property development	
Fengxian Mingcheng Real Estate Development Co., Ltd. 豐縣明城房地產開發有限公司	17 July 2018	Domestic enterprise	RMB50,000,000	RMB50,000,000	—	—	70%	70%	Property development	
Chendu Mingfa Commercial Town Construction Co., Ltd. 成都明發商務城建設有限公司	28 January 2016	Domestic enterprise	RMB33,000,000	RMB33,000,000	RMB33,000,000	RMB33,000,000	100%	100%	Property development	
Xiamen Hongsheng Tianwei Real Estate Co., Ltd 廈門弘盛天威置業有限公司	27 October 2017	Domestic enterprise	RMB2,000,000	RMB2,000,000	—	—	100%	100%	Trading of construction materials	
Lai'an Mingfa Pu Tai Real Estate Co., Ltd 來安明發浦泰置業有限公司	15 November 2016	Domestic enterprise	RMB20,200,000	RMB20,200,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Mingfa (Zhangpu) Real Estate Development Co., Ltd. 明發(漳浦)房地產開發有限公司	16 June 2017	Foreign investment enterprise	RMB20,000,000	RMB20,000,000	—	—	51%	51%	Property development	
Ma An Shan Tian Mu Spa Travel Investments Co., Ltd 馬鞍山天沐溫泉旅遊投資有限公司	20 October 2011	Foreign investment enterprise	RMB30,300,000	RMB30,300,000	RMB30,300,000	RMB30,300,000	100%	100%	Property development	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
			2025	2024	2025	2024	2025	2024		
Subsidiaries — established and operating in the PRC (continued)										
Ma An Shan Tian Mu Property Co., Ltd 馬鞍山天沐置業有限公司	7 May 2010	Domestic enterprise	RMB50,500,000	RMB50,500,000	RMB50,500,000	RMB50,500,000	100%	100%	Property development	
Mingfa Group Sihong Real Estate Co., Ltd 明發集團泗洪房地產開發有限公司	24 July 2017	Sino-foreign joint venture	USD1,000,000	USD1,000,000	USD1,000,000	USD1,000,000	100%	100%	Property development	
Dingyuan Mingfa Real Estate Co., Ltd. 定遠明發置業有限公司	1 March 2019	Domestic enterprise	RMB404,040,000	RMB404,040,000	RMB404,040,000	RMB404,040,000	100%	100%	Property development	
Mingfa Group Jiangsu Big Data Industry Development Co., Ltd 明發集團江蘇大數據產業發展有限公司	4 April 2019	Domestic enterprise	RMB100,000,000	RMB100,000,000	RMB65,200,000	RMB65,200,000	60%	60%	Property development	
Horgos Jianjixin Consulting Co., Ltd. 霍爾果斯建捷信諮詢服務有限公司	14 July 2017	Domestic enterprise	RMB10,000,000	RMB10,000,000	RMB10,000,000	RMB10,000,000	100%	100%	Consultant service	
Horgos Zhengzhenxiang Consulting Co., Ltd. 霍爾果斯正振祥諮詢服務有限公司	14 July 2017	Domestic enterprise	RMB10,000,000	RMB10,000,000	RMB10,000,000	RMB10,000,000	100%	100%	Consultant service	
Hainan Mingfa Real Estate Co., Ltd. 海南明發置業有限公司	9 July 2018	Domestic enterprise	RMB10,000,000	RMB10,000,000	—	—	100%	100%	Property development	
Mingfa Group Gold Lake Real Estate Development Co., Ltd 明發集團金湖房地產開發有限公司	24 August 2017	Foreign investment enterprise	RMB1,078,170,000	RMB1,078,170,000	RMB240,000,000	RMB240,000,000	100%	100%	Property development	
Mingfa Group Wuhu Real Estate Development Co., Ltd 明發集團蕪湖房地產開發有限公司	14 September 2017	Foreign investment enterprise	RMB1,000,000	RMB1,000,000	—	—	100%	100%	Property development	
Mingfa Group Dangtu Real Estate Development Co., Ltd 明發集團當塗房地產開發有限公司	31 August 2017	Foreign investment enterprise	RMB10,000,000	RMB10,000,000	—	—	100%	100%	Property development	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — established and operating in the PRC (continued)										
Mingfa Group Hanshan Real Estate Development Co., Ltd 明發集團含山房地產開發有限公司	1 September 2017	Foreign investment enterprise	RMB10,000,000	RMB10,000,000	—	—	100%	100%	Property development	
Mingfa Group Chizhou Real Estate Development Co., Ltd 明發集團池州房地產開發有限公司	21 July 2017	Domestic enterprise	RMB505,050,500	RMB505,050,500	RMB400,000,000	RMB400,000,000	100%	100%	Property development	
Mingfa Group Anhui East City Development Co., Ltd 明發集團安徽東至城市開發有限公司	5 July 2017	Domestic enterprise	RMB500,000,000	RMB500,000,000	—	—	100%	100%	Property development	
Quanjiao Ming Gui Real Estate Development Co., Ltd 全椒明桂房地產開發有限公司	28 July 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	51%	51%	Property development	
Mingfa Group Lai an Industry Co., Ltd 明發集團來安實業有限公司	30 November 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	100%	100%	Property development	
Ma On Shan Ming Man Industrial Co Ltd 馬鞍山明曼實業有限公司	15 August 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Ma On Shan Ming Lai Industrial Co., Ltd 馬鞍山明萊實業有限公司	15 August 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Ma On Shan Ming Xu Industrial Co., Ltd 馬鞍山明旭實業有限公司	15 August 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Ma On Shan Ming Yun Industrial Co., Ltd 馬鞍山明雲實業有限公司	16 August 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Hainan Mingfa International Investment Co., Ltd 海南明發國際投資有限公司	22 May 2018	Domestic enterprise	RMB100,000,000	RMB100,000,000	—	—	100%	100%	Property development	
Mingfa Group (Pei Xian) Property Development Company Limited 明發集團(沛縣)房地產開發有限公司	9 May 2019	Domestic enterprise	HK\$20,000,000	HK\$20,000,000	HK\$20,000,000	HK\$20,000,000	100%	100%	Property development	
Ma On Shan Minguo Industrial Co., Ltd 馬鞍山明諾實業有限公司	16 August 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Ma On Shan Ming Song Industrial Co., Ltd 馬鞍山明松實業有限公司	16 August 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
			2025	2024	2025	2024	2025	2024		
Subsidiaries — established and operating in the PRC (continued)										
Ma On Shan Mingsen Industrial Co., Ltd 馬鞍山明森實業有限公司	16 August 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Ma On Shan Mingpo Industrial Co., Ltd 馬鞍山明浦實業有限公司	21 December 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Ma On Shan Mingde Real Estate Co., Ltd. 馬鞍山明德置業有限公司	23 October 2018	Domestic enterprise	RMB10,100,000	RMB10,100,000	RMB10,100,000	RMB10,100,000	100%	100%	Property development	
Zibo Mingfa City Development and Construction Co., Ltd. 濰博明發城市開發建設有限公司	20 September 2018	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	100%	100%	Property development	
Jinzhai Mingfa Xincheng Real Estate Co., Ltd. 金寨明發新城置業有限公司	30 September 2018	Domestic enterprise	RMB10,000,500	RMB10,000,500	—	—	100%	100%	Property development	
Mingfa Group Qingyang City Development Co., Ltd. 明發集團青陽城市開發有限公司	22 July 2019	Domestic enterprise	RMB202,020,200	RMB202,020,200	RMB200,000,000	RMB200,000,000	100%	100%	Property development	
Mingfa Group Suining Real Estate Development Co., Ltd. 明發集團睢寧房地產開發有限公司	28 April 2020	Domestic enterprise	RMB83,000,000	RMB83,000,000	—	—	60%	60%	Property development	
Mingfa Group Yan'an New City Construction Co., Ltd. 明發集團延安新城建設有限公司	22 May 2020	Domestic enterprise	RMB200,000,000	RMB200,000,000	RMB58,760,000	RMB58,760,000	90%	90%	Property development	
Hainan Aohua Real Estate Co., Ltd. 海南澳華置業有限公司	31 March 2014	Domestic enterprise	RMB125,000,000	RMB125,000,000	—	—	60%	60%	Property development	
Mingfa Minshang (Shaanxi) Real Estate Development Co., Ltd 明發閬商(陝西)房地產開發有限公司	14 February 2023	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	60%	60%	Property development.	
Mingfa Group (Suzhou) Real Estate Development Co., Ltd. 明發集團(宿州)房地產開發有限公司	14 February 2023	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	100%	Property development	
Maanshan Mingshun Real Estate Co., Ltd. 馬鞍山市明順置業有限公司	10 September 2021	Domestic enterprise	RMB150,000,000	RMB150,000,000	RMB23,000,000	RMB23,000,000	90%	90%	Property development	
Huaian Mingyue Property Service Co., Ltd. 淮安市明悅物業服務有限公司	15 June 2022	Domestic enterprise	RMB1,000,000	RMB1,000,000	—	—	51%	51%	Property development	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — established and operating in the PRC (continued)										
Maanshan Mingheng Real Estate Co., Ltd. 馬鞍山市明恆置業有限公司	25 May 2023	Domestic enterprise	RMB50,000,000	RMB50,000,000	RMB20,000,000	RMB20,000,000	90%	90%	Property development	
Subsidiary — incorporated in Taiwan										
Ju Fa Development Company Limited (Taiwan) 如發開發股份有限公司 (台灣)	1 April 2013	Limited liability company	NTD600,000,000	NTD600,000,000	NTD391,208,800	NTD391,208,800	100%	100%	Property development	
Subsidiaries — incorporated and operating in Hong Kong										
Ming Fat Holdings (Hong Kong) Limited 明發集團 (香港) 有限公司	25 October 2000	Limited liability company	N/A	N/A	HK\$80,000,000	HK\$80,000,000	100%	100%	Investment holding	
Hong Kong Ming Fat Shui Fung Electronics Technology Co., Ltd. 香港明發瑞豐科技光電有限公司	28 September 2004	Limited liability company	N/A	N/A	HK\$2,000,000	HK\$2,000,000	100%	100%	Investment holding	
Hong Kong Ming Wah Investment Development Company 香港明華投資發展公司	11 May 2002	Partnership	N/A	N/A	—	—	100%	100%	Investment holding	
Hong Kong Full Bright Holdings Limited 香港盈輝集團有限公司	4 December 2007	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
H.K. Mingfa Hua Qing Investment Holdings Limited 香港明發華慶投資集團有限公司	23 August 2005	Limited liability company	N/A	N/A	HK\$300,000,000	HK\$300,000,000	70%	70%	Investment holding	
H.K. Ming Shing Assets Management Group Limited 香港明勝資產管理集團有限公司	10 September 2009	Limited liability company	N/A	N/A	HK\$10,000	HK\$10,000	100%	100%	Investment holding	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — incorporated and operating in Hong Kong (continued)										
Dowence Development Limited 都運時發展有限公司	27 January 2011	Limited liability company	N/A	N/A	HK\$10,000	HK\$10,000	80%	80%	Investment holding	
Mingfa Group Property Company Limited 明發集團房地產有限公司	19 April 2010	Limited liability company	N/A	N/A	HK\$1	HK\$1	100%	100%	Investment holding	
Mingfa Group Construction Company Limited 明發集團建設有限公司	19 April 2010	Limited liability company	N/A	N/A	HK\$1	HK\$1	100%	100%	Investment holding	
Mingfa Group Development Company Limited 明發集團發展有限公司	19 April 2010	Limited liability company	N/A	N/A	HK\$1	HK\$1	100%	100%	Investment holding	
Mingfa Property Investment Company Limited 明發物業投資有限公司	3 August 2010	Limited liability company	N/A	N/A	HK\$10,000	HK\$10,000	100%	100%	Investment holding	
Mingfa Group Finance Company Limited 明發集團財務有限公司	19 January 2012	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group Land Development Company Limited 明發集團土地開發有限公司	19 January 2011	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group Construction Engineering Company Limited 明發集團建築工程有限公司	19 January 2011	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group (China) City Centre Integrated Projects Company Limited 明發集團(中國)城市綜合體建設有限公司	26 April 2011	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group (China) Travel Estate Development Company Limited 明發集團(中國)旅遊地產開發有限公司	26 April 2011	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — incorporated and operating in Hong Kong (continued)										
Mingfa Group (China) Commercial Estate Development Company Limited 明發集團(中國)商業地產開發有限公司	26 April 2011	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group (China) New Town Construction Company Limited 明發集團(中國)新城鎮建設有限公司	3 May 2011	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group Cultural Property Development Company Limited 明發集團文化產業發展有限公司	29 November 2012	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group Business Park Development Company Limited 明發集團總部基地開發有限公司	29 November 2012	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group Technology Property Real Estate Development Company Limited 明發集團科技產業地產開發有限公司	29 November 2012	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group New Town Development Company Limited 明發集團新城鎮開發有限公司	29 November 2012	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	
Mingfa Group (China) World Trade Center Development Company Limited 明發集團(中國)世界貿易中心開發有限公司	29 November 2012	Limited liability company	N/A	N/A	HK\$1,000	HK\$1,000	100%	100%	Investment holding	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — incorporated and operating in the British Virgin Islands										
Profit Surplus Investments Limited 利盈投資有限公司*	21 November 2007	Limited liability company	US\$50,000	US\$50,000	US\$11,100	US\$11,100	100%	100%	Investment holding	
Fit Top Group Limited 輝德集團有限公司*	30 October 2007	Limited liability company	US\$50,000	US\$50,000	US\$10,000	US\$10,000	100%	100%	Investment holding	
Add High International Limited 添高國際有限公司*	30 October 2007	Limited liability company	US\$50,000	US\$50,000	US\$10,000	US\$10,000	100%	100%	Investment holding	
Elite Harbour Limited 港俊有限公司*	26 March 2010	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Crown Succeed Limited 成冠有限公司*	26 March 2010	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Shiny Hope Limited 明望有限公司*	18 March 2010	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Jian Mao Limited 建茂有限公司*	15 December 2010	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Sign Boom Limited 兆興有限公司*	15 December 2010	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Day Sleek Limited 日順有限公司*	15 December 2010	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Haofa Limited 好發有限公司*	15 December 2010	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Lead Far Group Limited 利發集團有限公司*	10 March 2011	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Trade Far Holdings Limited 貿發控股有限公司*	25 March 2011	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Dragon Boom Holdings Limited 龍旺控股有限公司*	22 March 2011	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Hero Shine Holdings Limited 英盛控股有限公司*	25 March 2011	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	

* Directly held by the Company

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Subsidiaries — incorporated and operating in the British Virgin Islands (continued)										
Brave Fortune Group Limited 勇發集團有限公司*	25 March 2011	Limited liability company	US\$50,000	US\$50,000	US\$1	US\$1	100%	100%	Investment holding	
Long Thrive International Limited 長盛國際有限公司*	17 October 2012	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Investment holding	
Astute Skill Limited 明巧有限公司*	26 October 2012	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Investment holding	
Great Stand Investments Limited 昌立投資有限公司*	2 October 2012	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Investment holding	
Baile Investments Limited 百樂投資有限公司*	12 November 2012	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Investment holding	
Moon Rainbow Limited 滿虹有限公司*	30 October 2012	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Investment holding	
Sharp Pass Limited 銳通有限公司*	21 October 2014	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Investment holding	
Repute Rise Limited 譽升有限公司*	15 June 2015	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Investment holding	
Easycrest Limited 易冠有限公司*	30 April 2014	Limited liability company	US\$1	US\$1	US\$1	US\$1	100%	100%	Property development	
Amity Achiever Limited 和達有限公司	21 July 2017	Limited liability company	US\$1	US\$1	US\$1	US\$1	50%	50%	Investment holding	

* Directly held by the Company

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
			2025	2024	2025	2024	2025	2024		
Associated companies — established and operating in the PRC										
Changchun Shimao Mingfa Real Estate Company Limited 長春世茂明發房地產開發有限公司	28 October 2009	Domestic enterprise	RMB300,000,000	RMB300,000,000	RMB300,000,000	RMB300,000,000	37.5%	37.5%	Property development and investment holding	
Nanjing Software Valley Qichuang Communication Technology Co., Ltd. 南京軟件谷奇創通訊科技有限公司	6 February 2013	Sino-foreign joint venture	US\$65,100,000	US\$65,100,000	US\$65,100,000	US\$65,100,000	49%	49%	Property development	
Nanjing Software Valley Mingfa Information Technology Development Co., Ltd. 南京軟件谷明發信息科技發展有限公司	21 June 2005	Sino-foreign joint venture	US\$60,000,000	US\$60,000,000	US\$60,000,000	US\$60,000,000	48%	48%	Property investment and investment holding	
江蘇築業建築科技發展有限公司	26 July 2017	Domestic enterprise	RMB100,000,000	RMB100,000,000	RMB100,000,000	RMB100,000,000	30%	30%	Property development	
Nanjing Ruijing Real Estate Development Co., 南京銳景房地產開發有限公司	9 October 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	25%	25%	Property development	
Zhangchun Yue Yi Real Estate Development Co., 長春悅翊房地產開發有限公司	13 November 2017	Domestic enterprise	RMB100,000,000	RMB100,000,000	RMB100,000,000	RMB100,000,000	37.5%	37.5%	Property development	
Ma On Shan Minghua Real Estate Co., Ltd 馬鞍山明華置業有限公司	27 July 2018	Domestic enterprise	RMB10,000,000	RMB10,000,000	N/A	N/A	49%	49%	Property development	
Guang'an Yueshang Commercial Management Co., Ltd. 廣安市悅尚商業管理有限公司	11 April 2019	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	49%	49%	Provision for trading service	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Associated companies — established and operating in the PRC (continued)										
Ma On Shan Minglin Industrial Co., Ltd 馬鞍山明林實業有限公司	21 December 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	49%	49%	Property development	
Ma On Shan Mingkun Industrial Co., Ltd. 馬鞍山明坤實業有限公司	21 December 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	49%	49%	Property development	
Ma On Shan Mingzhao Industrial Co., Ltd. 馬鞍山明昭實業有限公司	21 December 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	49%	49%	Property development	
Ma On Shan Mingzhang Industrial Co., Ltd 馬鞍山明章實業有限公司	21 December 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	49%	49%	Property development	
Ma On Shan Mingnan Industrial Co., Ltd 馬鞍山明楠實業有限公司	21 December 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	49%	49%	Property development	
Ma On Shan Mingshu Industrial Co., Ltd. 馬鞍山明樹實業有限公司	21 December 2017	Domestic enterprise	RMB20,000,000	RMB20,000,000	—	—	49%	49%	Property development	
Associated companies — incorporated in the British Virgin Islands										
Eagle Rights Limited 鈞濠有限公司	31 March 2010	Limited liability company	US\$45,000,000	US\$45,000,000	US\$45,000,000	US\$45,000,000	33.33%	33.33%	Investment holding	
Winning Orient Limited 東勝有限公司	26 April 2018	Limited liability company	US\$1	US\$1	US\$1	US\$1	49%	49%	Investment holding	
Associated company — incorporated in Hong Kong										
Winning Orient Construction Group (Hong Kong) Limited 東勝建設集團(香港)有限公司	20 June 2018	Limited liability company	N/A	N/A	HK\$10,000	HK\$10,000	49%	49%	Investment holding	
Golden Base International Enterprises Limited 金邦國際企業有限公司	27 January 2011	Limited liability company	N/A	N/A	HK\$1	HK\$1.00	49.1%	49.1%	Investment holding	

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35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Company name	Date of incorporation/ establishment	Legal status	Authorised or registered capital		Issued and fully paid capital		Effective interest held as at 31 December		Principal activities	Note
	2025		2024	2025	2024	2025	2024			
Joint ventures — established and operating in the PRC										
Nanjing Mingfa Technological and Commercial Town Construction Development Co., Ltd. 南京明發科技商務城建設發展有限公司	9 September 2005	Sino-foreign joint venture	US\$448,980,000	US\$448,980,000	US\$448,079,550	US\$448,079,550	100%	51%	Property development	(b)
Nanjing Chunhe Electronic Co., Ltd. 南京春和電子有限公司	11 April 2007	Domestic enterprise	RMB18,000,000	RMB18,000,000	RMB18,000,000	RMB18,000,000	100%	28.3%	Property development	(b)
Nanjing Lichang Light and Electronic Technology Co., Ltd. 南京立昌光電科技有限公司	10 April 2007	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	100%	30.6%	Property development	(b)
Nanjing Lianchang Engineering Co., Ltd. 南京聯昌機電有限公司	13 April 2007	Domestic enterprise	RMB15,000,000	RMB15,000,000	RMB15,000,000	RMB15,000,000	100%	51%	Property development	(b)
Nanjing Mingfa High District Property Co., Ltd. 南京明發高區置業有限公司	17 June 2013	Domestic enterprise	RMB122,610,000	RMB122,610,000	RMB122,610,000	RMB122,610,000	100%	51%	Property development	(b)
Nanjing Guofa Real Estate Co., Ltd. 南京國發置業有限公司	27 November 2017	Domestic enterprise	RMB50,000,000	RMB50,000,000	RMB50,000,000	RMB50,000,000	51%	51%	Property development	
Suzhou Zhengxin Real Estate Development Co., Ltd 蘇州正信置業發展有限公司	1 July 2017	Domestic enterprise	RMB103,721,781	RMB103,721,781	—	—	14%	14%	Property development	
Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd. 長沙砂之船中閩百匯奧萊商業管理有限公司	5 June 2017	Domestic enterprise	RMB39,215,678	RMB39,215,678	RMB3,921,568	RMB3,921,568	49%	49%	Property management	
Wuxi Yueshang Outlets Co., Ltd. 無錫市悅尚奧萊有限責任公司	3 February 2019	Domestic enterprise	RMB40,800,000	RMB40,800,000	RMB40,800,000	RMB40,800,000	50%	50%	Provision for trading service	
Guang'an Yueshang Commercial Management Co., Ltd. 廣安市悅尚商業管理有限公司	11 April 2019	Domestic enterprise	RMB20,000,000	RMB20,000,000	RMB20,000,000	RMB20,000,000	49%	49%	Provision for trading service	
Shanghai Jiaming Yongshang Commercial Management Co., Ltd. 上海佳明永尚商業管理有限公司	10 October 2023	Sino-foreign joint venture	RMB750,000,000	RMB750,000,000	RMB750,000,000	RMB750,000,000	40%	40%	Provision for trading service	
Joint ventures — incorporated and operating in the British Virgin Islands										
Versicraft Holdings Limited	21 September 2015	Limited liability company	US\$300	US\$300	US\$300	US\$300	33.3%	33.3%	Investment holding	
Joint ventures — incorporated and operating in Hong Kong										
Versicraft International Limited	19 January 2012	Limited liability company	N/A	N/A	HK\$1	HK\$1.00	33.3%	33.3%	Investment holding	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Notes:

- a. The Group controls Mingfa Group Nanjing Ruiye Real Estate Co., Ltd. and Nanjing Zhaofu International Golf Club Co., Ltd., despite the Group owning less than 50% voting rights. This is because the Group has the practical ability to unilaterally direct the relevant activities of these companies.
- b. These joint ventures have become wholly-owned subsidiaries of the Group in 2025 (Note 36).

36 DEEMED ACQUISITION

During the year ended 31 December 2025, the Group and the other joint venturer of Mingfa Technological reached an agreement on the redemption arrangement of the 49% interest in Mingfa Technological held by the other joint venturer. Under the arrangement, certain completed properties held under the joint venture were transferred to the other joint venturer for its redemption of the 49% interest held. Since then, Mingfa Technological has become a wholly-owned subsidiary of the Group.

The directors considered this arrangement as deemed acquisition and accounted for under HKFRS 3, Business Combinations, as a business combination achieved in stages. The Group consolidated the identifiable assets and liabilities of Mingfa Technological at their acquisition-date fair values while derecognised the interest in Mingfa Technological as a deemed consideration. The details are summarised below:

	RMB'000
Properties under development	1,616,000
Completed properties held for sale	321,000
Trade and other receivables and prepayments	195,559
Amounts due from a shareholder's associate	296,000
Amounts due from a shareholder	2,779,500
Cash and cash equivalents	616
Trade and other payables	(2,176,945)
Contract liabilities	(207,207)
Bank borrowings	(782,580)
Total identifiable net assets acquired	2,041,943
Fair value of interest in a joint venture derecognised	(2,023,890)
Gain on deemed acquisition	(18,053)
Net inflow of cash on deemed acquisition	616

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



36 DEEMED ACQUISITION (continued)

Since the acquisition or had the combination taken place at the beginning of the year, Mingfa Technological did not contribute any significant amount to the Group's revenue and results for the year ended 31 December 2025.

37 FINANCIAL GUARANTEES

The Group had the following financial guarantees as at 31 December 2025 and 2024.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties (Note)	4,488,535	5,116,407

Note:

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the Group obtained the "property title certificate" for the mortgagees, or when the Group obtained the "master property title certificate". The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the consolidated financial statements for the guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

38 COMMITMENTS

Commitments for capital and property development expenditure

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contracted but not provided for		
— Properties being developed by the Group for sale	17,684,163	18,373,667
— Land use rights	764,776	764,776
	18,448,939	19,138,443

39 CONTINGENT LIABILITIES

The Group, being a property developer in the PRC, is subject to extensive government requirements in many aspects of its property development operations, including but not limited to land acquisition and transfer, planning and construction works, etc. In the ordinary course of business, the Group has various development projects which are behind the development timelines as stipulated in the land transfer agreements or approved by the local authorities. According to the regulation “Measures for Disposal of Unused Land” and other relevant regulations, the government is empowered to levy idle land penalty and in the extreme case, confiscate the undeveloped land depending on circumstances. In addition, the delay in development may constitute default in contract terms of the land transfer agreements, of which the transferor can claim for liquidated damages. As at 31 December 2025 and 2024, the construction works of the land parcels of certain subsidiaries in Jurong, Lanzhou, Shenyang and Tianjin, the PRC, were behind the stipulated development timelines. Accordingly, these subsidiaries are exposed to the aforementioned possible penalties and liquidated damages. The directors estimated that the amount of penalty and liquidated damages would be approximately RMB1,427,275,000 (2024: RMB1,254,251,000) in aggregate according to the relevant regulations and land transfer agreements. The carrying amount of the aforementioned lands is approximately RMB194,916,000 in aggregate as of 31 December 2025 (2024: RMB198,374,000). Notwithstanding the above, the directors, having regard to their past experiences in handling similar matter and the latest local development, together with the application for extending the commencement dates of construction works submitted and communications with relevant local authorities, considered that the risk of confiscation of the concerned land parcels as well as penalty and liquidated damages is low. Having regard to the nature and latest development, the directors are of the opinion that no non-conformity instance would have material impact on the result and financial position of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



40 RELATED PARTY TRANSACTIONS

a. Name and relationship with related parties

i. Controlling shareholders

Ms. Chen Bihua, Mr. Huang Li Shui, Mr. Huang Qingzhu and Mr. Huang Lianchun.

ii. Entities controlled by the Controlling Shareholders

Xiamen Mingfa Property Development Limited*	廈門市明發物業發展有限公司
Growing Group Limited	興盛集團有限公司
Better Luck Group Limited	華運集團有限公司
Gainday Holdings Limited	朝達控股有限公司
Tin Sun Holdings Limited	日新控股有限公司
Bloom Luck Holdings Limited	隆福集團有限公司
Run Fast International Limited	運訊國際有限公司
Galaxy Earnest Limited	銀誠有限公司
Hong Kong Ming Fat International Holdings Company Limited	香港明發國際集團有限公司
Creative Industrial Estate (China) Development Limited	創業產業園(中國)發展有限公司
Mile Pacific (Hong Kong) Limited	邁泰(香港)有限公司
Mile Pacific Limited	邁泰有限公司
Sky Color Limited	天輝有限公司
Avail Wide Limited	博盈有限公司
Ocean Ample Limited	海溢投資有限公司
Hong Kong Ming Fa Investment Development Limited	香港明發投資發展有限公司
Tampell Limited	天普有限公司
Zone Ray Limited	崇亮有限公司

* This company was a subsidiary of the Company before it was disposed.

The English names of certain of the companies referred to above in this note represent management's best efforts in translating the Chinese names of these companies as no English names have been registered or available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

40 RELATED PARTY TRANSACTIONS (continued)

b. Transactions with related parties

Other than those disclosed elsewhere in the consolidated financial statements, the Group had entered into the following major related party transactions:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Rental income from joint ventures	56,081	61,098

c. Key management compensation

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	6,016	7,881
Retirement scheme contributions	33	20
	6,049	7,901

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



41 HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	As at 31 December 2025 RMB'000	2024 RMB'000
ASSETS		
Non-current assets		
Investment in subsidiaries	171,714	171,714
Property, plant and equipment	21	21
	171,735	171,735
Current assets		
Other receivables	2,307	61
Amounts due from subsidiaries	6,267,433	6,983,854
Amount due from associate	11,511	11,511
Amount due from non-controlling interests	143,566	145,039
Cash and cash equivalents	2,205	2,902
	6,427,022	7,143,367
Total assets	6,598,757	7,315,102
LIABILITIES		
Current liabilities		
Other payables	1,823,941	1,845,491
Amounts due to subsidiaries	5,864,068	6,485,546
Amount due to a related party	1,152,599	1,269,816
	8,840,608	9,600,853
Net current liabilities	(2,413,586)	(2,457,486)
Total assets less current liabilities	(2,241,851)	(2,285,751)
Net liabilities	(2,241,851)	(2,285,751)
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	536,281	536,281
Reserves (Note)	(2,778,132)	(2,822,032)
Total deficit	(2,241,851)	(2,285,751)

On behalf of the directors

Ng Man Fung Walter
Director

Shang Xuan
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

41 HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (continued)

Note:

Reserve movement of the Company

	Share premium RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	631,266	(3,420,782)	(2,789,516)
Loss for the year	—	(32,516)	(32,516)
Balance at 31 December 2024 and 1 January 2025	631,266	(3,453,298)	(2,822,032)
Profit for the year	—	43,900	43,900
Balance at 31 December 2025	631,266	(3,409,398)	(2,778,132)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



42 NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	Borrowings (Note 22) RMB'000	Amounts due to related parties, joint ventures and associated companies (Note 26) RMB'000	Amounts due to non- controlling interests (Note 16) RMB'000	Advances from other parties (Note 25) RMB'000	Advance from shareholder of associated companies and joint venture (Note 25) RMB'000	Lease liabilities (Note 27) RMB'000
As 1 January 2025	(2,110,728)	(5,769,523)	(741,149)	(362,891)	(2,218,203)	(4,568)
Changes from cash flows:						
Drawdown of borrowings	—	—	—	—	—	—
Repayment of borrowings	105,776	—	—	—	—	—
Advances repaid to related parties	—	241,330	—	—	—	—
Advances repaid to joint ventures	—	35	—	—	—	—
Advances received from joint ventures	—	(32,015)	—	—	—	—
Advances repaid to associated companies	—	156,900	—	—	—	—
Advances received from non-controlling interests	—	—	(34,232)	—	—	—
Advances repaid to non-controlling interests	—	—	88,699	—	—	—
Repayment of principal lease liabilities	—	—	—	—	—	2,355
Repayment of interest expenses of lease liabilities	—	—	—	—	—	625
Advance repaid to shareholder of associated companies and joint venture	—	—	—	—	2,586	—
Interest paid	—	—	—	—	—	—
Total changes from financing cash flows:	105,776	366,250	54,467	—	2,586	2,980
Exchange adjustments	—	—	—	9,991	21,184	—
Other changes:						
Addition from deemed acquisition	(782,580)	3,075,500	—	—	—	—
Interest expense on lease liabilities	—	—	—	—	—	(625)
At 31 December 2025	(2,787,532)	(2,327,773)	(686,682)	(352,900)	(2,194,433)	(2,213)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

42 NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Reconciliation of liabilities arising from financing activities: (continued)

	Borrowings (Note 22) RMB'000	Amounts due to related parties, joint ventures and associated companies (Note 26) RMB'000	Amounts due to non-controlling interests (Note 16) RMB'000	Advances from other parties (Note 25) RMB'000	Advance from shareholder of associated companies and joint venture (Note 25) RMB'000	Lease liabilities (Note 27) RMB'000
As 1 January 2024	(2,515,134)	(7,408,692)	(616,284)	(356,273)	(2,689,385)	(7,750)
Changes from cash flows:						
Drawdown of borrowings	(18,000)	—	—	—	—	—
Repayment of borrowings	422,406	—	—	—	—	—
Advances repaid to related parties	—	250,921	—	—	—	—
Advances repaid to joint ventures	—	1,397,110	—	—	—	—
Advances received from joint ventures	—	(18,809)	—	—	—	—
Advances repaid to associated companies	—	9,947	—	—	—	—
Advances received from non-controlling interests	—	—	7,961	—	—	—
Advances repaid to non-controlling interest	—	—	(132,826)	—	—	—
Repayment of principal and interest expenses of lease liabilities	—	—	—	—	—	4,186
Advance repaid to shareholder of associated companies and joint venture	—	—	—	—	471,182	—
Total changes from financing cash flows:	404,406	1,639,169	(124,865)	—	471,182	4,186
Exchange adjustments	—	—	—	(6,618)	—	—
Other changes:						
Interest expense on lease liabilities	—	—	—	—	—	(1,004)
At 31 December 2024	(2,110,728)	(5,769,523)	(741,149)	(362,891)	(2,218,203)	(4,568)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



43 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 24 April 2026.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated or reclassified as appropriate.

RESULTS

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	4,385,189	7,030,291	9,524,999	10,568,374	16,416,421
(Loss)/profit before income tax	(1,106,054)	(1,144,824)	149,671	977,751	3,756,126
Income tax expense	(92,694)	(664,326)	(792,816)	(959,126)	(1,759,241)
(Loss)/profit for the year	(1,198,748)	(1,809,150)	(643,145)	18,625	1,996,885
Attributable to:					
Equity holders of the Company	(1,227,177)	(1,791,055)	(467,127)	47,961	1,882,657
Non-controlling interests	28,429	(18,095)	(176,018)	(29,336)	114,228
	(1,198,748)	(1,809,150)	(643,145)	18,625	1,996,885

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	57,383,362	62,326,638	70,667,754	71,186,822	73,745,719
Total liabilities	(41,780,130)	(45,525,061)	(51,652,317)	(51,571,020)	(54,286,855)
Non-controlling interests in equity	(1,109,879)	(1,081,450)	(1,496,445)	(1,632,937)	(1,520,248)
	14,493,353	15,720,127	17,518,992	17,982,865	17,938,616