



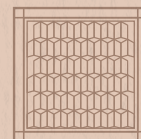
越秀地產股份有限公司  
YUEXIU PROPERTY COMPANY LIMITED

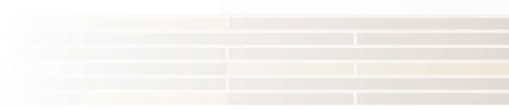
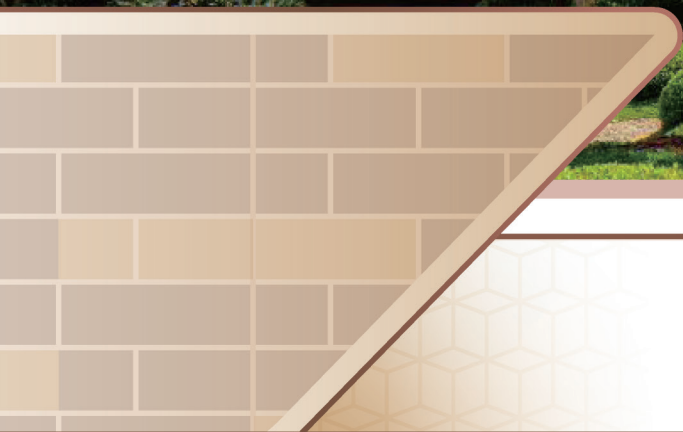
Stock Code: 00123

ANNUAL REPORT  
2025

*Yue Bund*  
對外滩樾

WHERE GOOD  
LIVING STARTS



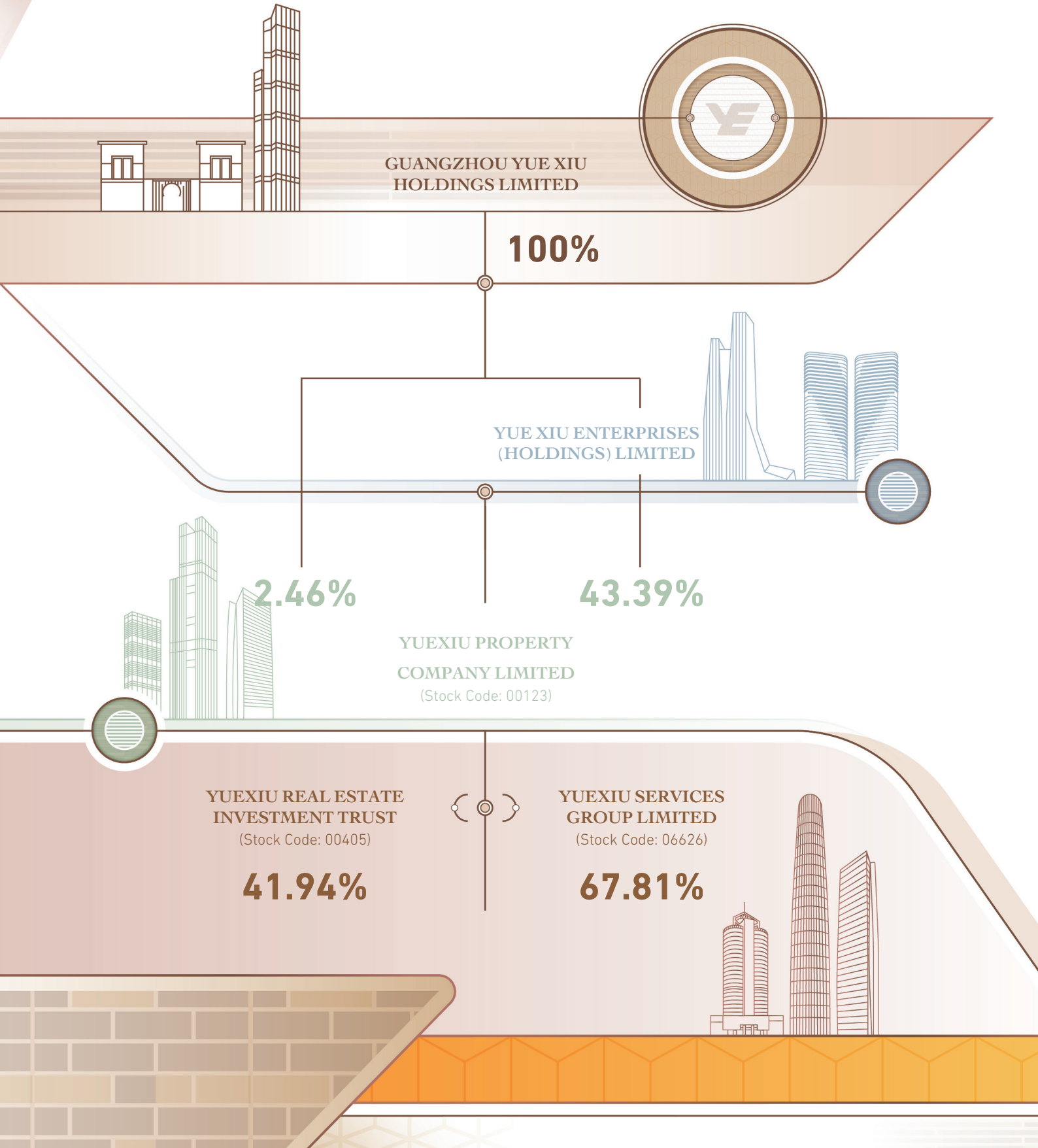


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# CORPORATE STRUCTURE

As at 31 December 2025



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive directors

Mr Lin Zhaoyuan (Chairman)  
Mr Zhu Huisong  
Mr Jiang Guoxiong  
Mr He Yuping  
Ms Chen Jing  
Ms Liu Yan

### Non-executive directors

Mr Zhang Yibing  
Mr Su Junjie

### Independent non-executive directors & audit committee members

Mr Yu Lup Fat Joseph  
Mr Lee Ka Lun  
Mr Lau Hon Chuen Ambrose  
Mr Cheung Kin Sang

## COMPANY SECRETARY

Mr Yu Tat Fung

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Oversea-Chinese Banking Corporation Limited  
DBS Bank Ltd.  
China Construction Bank (Asia) Corporation Limited  
Agricultural Bank of China Limited

## WEBSITES TO ACCESS

### COMPANY INFORMATION

<http://www.yuexiuproperty.com>  
<http://www.irasia.com/listco/hk/yuexiuproperty>  
<http://www.hkexnews.hk>

## REGISTERED OFFICE

26th Floor  
Yue Xiu Building  
160 Lockhart Road  
Wanchai, Hong Kong

## SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## LISTING EXCHANGE

### Shares

The Stock Exchange of Hong Kong Limited

Stock codes  
The Stock Exchange of Hong Kong Limited - 00123  
Reuters - 123.HK  
Bloomberg - 123 HK

## Notes and Bonds

The Stock Exchange of Hong Kong Limited

HK\$2,300,000,000 6.10 per cent. Notes due 2029 (Code: 5846)  
U.S.\$650,000,000 2.80 per cent. Notes due 2026 (Code: 40547)  
(fully redeemed on 20 January 2026)  
U.S.\$150,000,000 3.80 per cent. Notes due 2031 (Code: 40548)  
RMB1,690,000,000 4.10 per cent. Notes due 2027 (Code: 84529)  
RMB2,850,000,000 3.30 per cent. Notes due 2028 (Code: 85083)  
RMB1,735,000,000 3.40 per cent. Notes due 2029 (Code: 85108)

Chongwa (Macao) Financial Asset Exchange Co., Ltd.  
RMB1,396,000,000 3.80 per cent. Notes due 2026 (Code: MOXTB2305)  
RMB2,000,000,000 4.00 per cent. Notes due 2026 (Code: MOXLB2307)  
(fully redeemed on 16 January 2026)  
RMB1,210,000,000 4.00 per cent. Notes due 2026 (Code: MOXTB23083)

Shanghai Stock Exchange

RMB1,000,000,000 3.50 per cent. Corporate Bonds due 2026 (21 穗建02 Code: 188439)  
RMB1,500,000,000 2.10 per cent. Corporate Bonds due 2026 (21 穗建03 Code: 188730)  
RMB500,000,000 3.55 per cent. Corporate Bonds due 2026 (21 穗建04 Code: 188731)  
RMB1,500,000,000 2.39 per cent. Corporate Bonds due 2026 (21 穗建05 Code: 188802)  
RMB500,000,000 1.95 per cent. Corporate Bonds due 2027 (22 穗建01 Code: 185771)  
RMB1,500,000,000 3.38 per cent. Corporate Bonds due 2027 (22 穗建02 Code: 185774)  
RMB1,000,000,000 1.95 per cent. Corporate Bonds due 2027 (22 穗建03 Code: 185772)  
RMB1,150,000,000 3.35 per cent. Corporate Bonds due 2027 (22 穗建04 Code: 185773)  
RMB1,000,000,000 3.37 per cent. Corporate Bonds due 2027 (22 穗建06 Code: 185917)  
RMB700,000,000 3.43 per cent. Corporate Bonds due 2027 (22 穗建08 Code: 155866)  
RMB1,090,000,000 3.09 per cent. Corporate Bonds due 2027 (22 穗建10 Code: 137827)  
RMB700,000,000 3.15 per cent. Corporate Bonds due 2026 (23 穗建01 Code: 138935)  
RMB1,200,000,000 3.50 per cent. Corporate Bonds due 2028 (23 穗建02 Code: 138936)  
RMB1,500,000,000 3.40 per cent. Corporate Bonds due 2028 (23 穗建04 Code: 115026)  
RMB900,000,000 2.98 per cent. Corporate Bonds due 2026 (23 穗建05 Code: 115478)  
RMB1,100,000,000 3.63 per cent. Corporate Bonds due 2033 (23 穗建06 Code: 115479)  
RMB600,000,000 3.03 per cent. Corporate Bonds due 2026 (23 穗建07 Code: 240203)  
RMB900,000,000 3.25 per cent. Corporate Bonds due 2028 (23 穗建08 Code: 240401)  
RMB500,000,000 2.25 per cent. Corporate Bonds due 2027 (24 穗建01 Code: 240622)  
RMB1,000,000,000 2.75 per cent. Corporate Bonds due 2034 (24 穗建02 Code: 240623)  
RMB200,000,000 2.15 per cent. Corporate Bonds due 2027 (24 穗建03 Code: 241516)  
RMB800,000,000 2.78 per cent. Corporate Bonds due 2034 (24 穗建04 Code: 241517)  
RMB900,000,000 1.95 per cent. Corporate Bonds due 2028 (25 廣城01 Code: 243521)  
RMB500,000,000 2.50 per cent. Corporate Bonds due 2035 (25 廣城02 Code: 243522)  
RMB1,500,000,000 2.16 per cent. Corporate Bonds due 2030 (25 廣城04 Code: 243750)

## INVESTOR RELATIONS

For further information about Yuexiu Property Company Limited, please contact the email address below: [ir@yuexiuproperty.com](mailto:ir@yuexiuproperty.com)

## FINANCIAL HIGHLIGHTS

### INCOME STATEMENT HIGHLIGHTS

| RMB'000                                    | 2025              | For the year ended 31 December |            |            |            |
|--|-------------------|--------------------------------|------------|------------|------------|
|  |                   | 2024                           | 2023       | 2022       | 2021       |
| Revenue                                    | <b>86,457,288</b> | 86,400,562                     | 80,222,011 | 72,415,643 | 57,378,861 |
| Gross profit                               | <b>6,748,369</b>  | 9,053,918                      | 12,257,627 | 14,805,616 | 12,482,465 |
| Profit attributable to equity holders      | <b>55,062</b>     | 1,040,055                      | 3,185,085  | 3,953,352  | 3,588,929  |
| Basic earnings per share (RMB)             | <b>0.0137</b>     | 0.2584                         | 0.8542     | 1.1932     | 1.1590     |
| Core net profit (refer to note on page 24) | <b>262,855</b>    | 1,593,276                      | 3,493,235  | 4,237,930  | 4,152,049  |
| Dividends per share (RMB)                  | <b>0.151</b>      | 0.173                          | 0.347      | 0.547      | 0.536      |

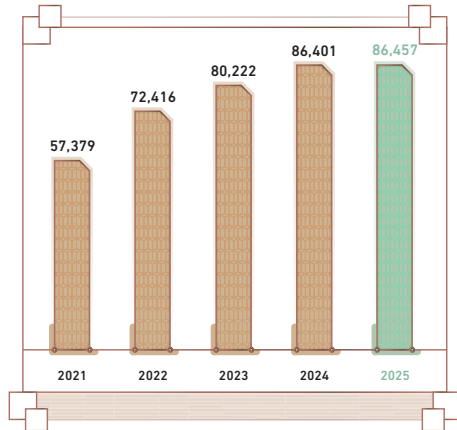
### BALANCE SHEET HIGHLIGHTS

| RMB'000   | 2025               | As of 31 December |             |             |             |
|---|--------------------|-------------------|-------------|-------------|-------------|
|   |                    | 2024              | 2023        | 2022        | 2021        |
| Total cash (including cash and bank balances, time deposits, time deposits and other restricted deposits) | <b>46,760,651</b>  | 50,049,249        | 46,097,860  | 35,118,452  | 40,499,046  |
| Total assets  | <b>369,744,870</b> | 410,452,984       | 401,178,728 | 346,351,976 | 313,854,885 |
| Total liabilities   | <b>263,912,482</b> | 306,373,816       | 298,969,948 | 261,559,237 | 239,488,136 |
| Shareholders' equity  | <b>54,817,260</b>  | 55,261,066        | 55,628,905  | 47,429,623  | 46,236,070  |
| Shareholders' equity per share (RMB)  | <b>13.62</b>       | 13.73             | 13.82       | 15.32       | 14.93       |

## FINANCIAL HIGHLIGHTS

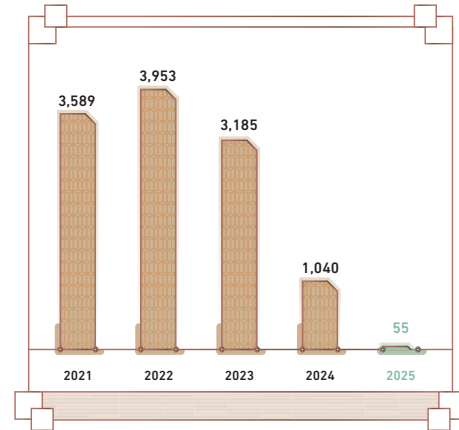
## REVENUE

(RMB million)



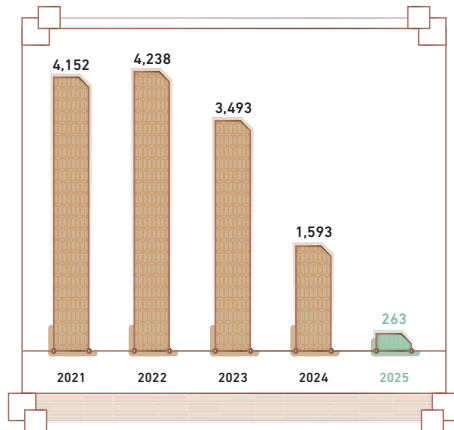
## PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

(RMB million)



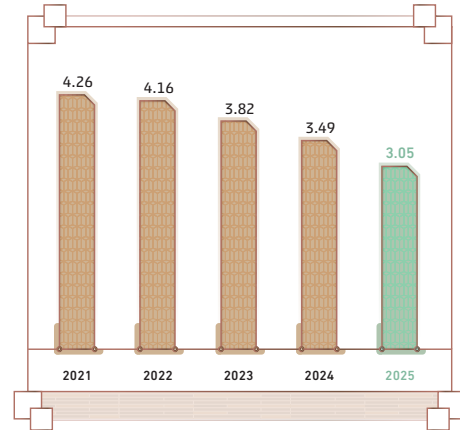
## CORE NET PROFIT

(RMB million)



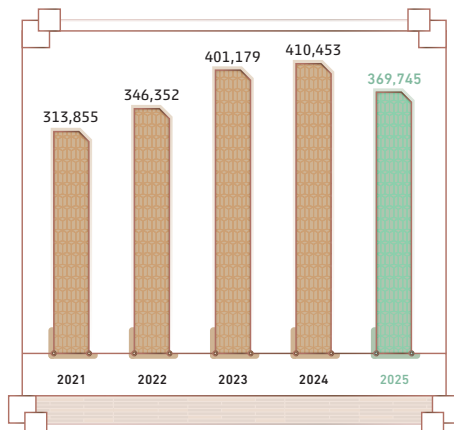
## WEIGHTED AVERAGE BORROWING INTEREST RATE

%



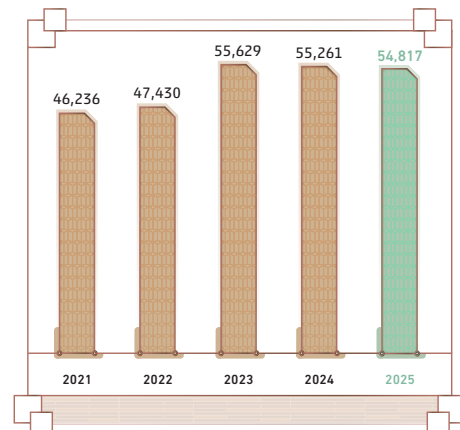
## TOTAL ASSETS

(RMB million)

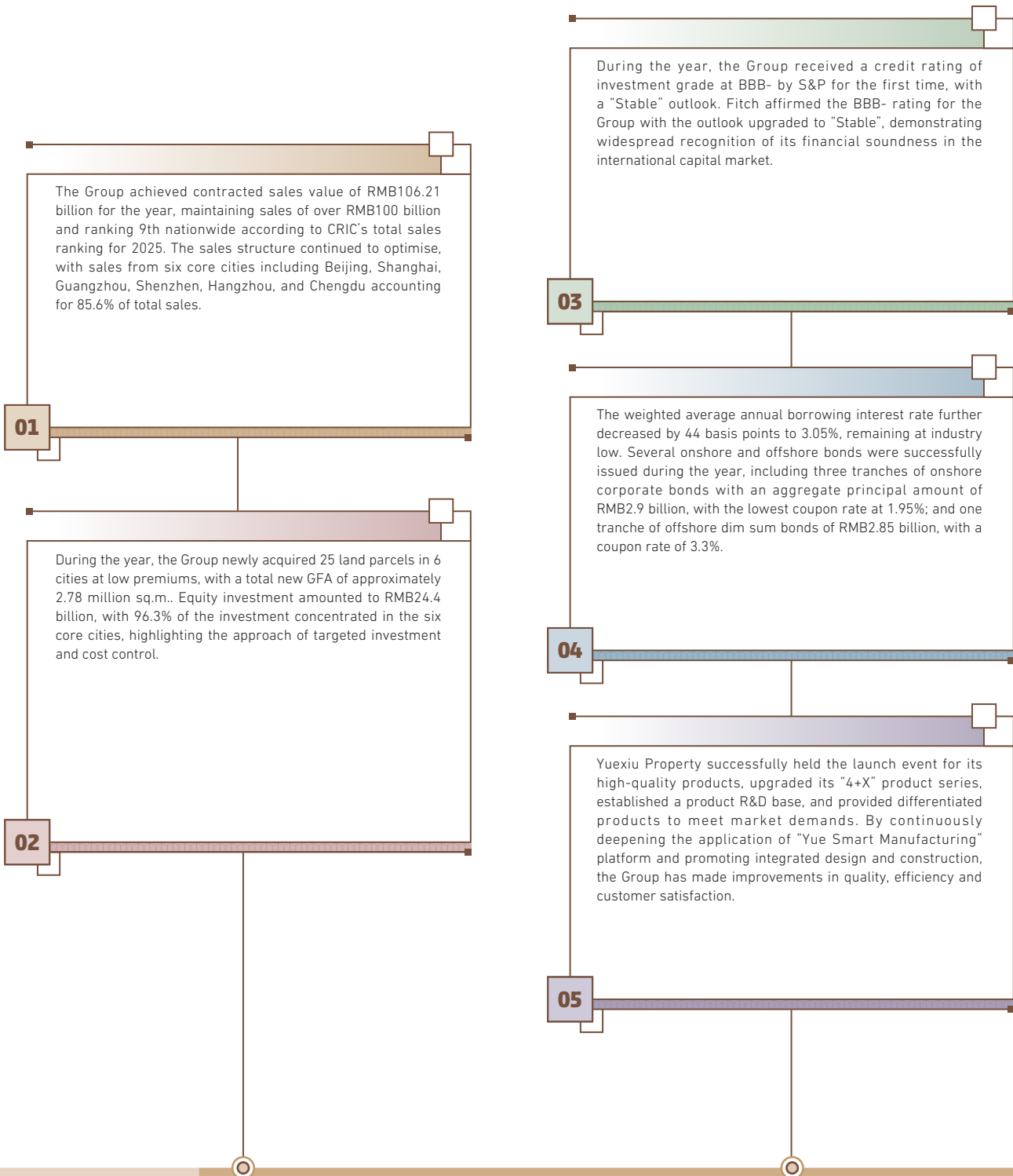


## SHAREHOLDERS' EQUITY

(RMB million)



## KEY EVENTS OF THE YEAR



## KEY EVENTS OF THE YEAR

Favourable development momentum shown in the “second curve” business. For Yuexiu REIT, its revenue remained stable, with the average interest payment rate hitting a three-year low; for Yuexiu Services, its GFA under management increased to 73.47 million sq.m., with the collection rate of third-party projects rising against the trend to 94%; and for Yuexiu Construction Technology, it recorded revenue growth, with GFA under management increasing by 23% to 920,000 sq.m. and successfully secured an urban renewal EPC project.

06

Sustainability ratings improved comprehensively: Wind ESG rating jumped to AA, ranking first in the real estate industry; GRESB rating remained at Five Stars; and the Group scored 61 in its first participation in the S&P Global CSA assessment, ranking in the top 8% of its global peers. The Group has been included as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for two consecutive years.

07

The building carbon credit product of the Zhonggang Leatherware Mall was successfully listed, becoming the first building carbon credit product for a specialised market in China. The Group successfully issued the three-year RMB2.85 billion green dim sum bonds, setting a record for the largest single issuance size and the lowest issuance yield in the past five years for dim sum bonds of a local state-owned enterprise in the real estate industry. During the year, sustainable finance accounted for 35.0% of the total.

08

During the year, the Group gained coverage from 3 new securities brokerage firms, bringing its total research coverage to over 40 securities firms, demonstrating the capital market’s deep recognition and high attention to the Company’s sound operations and long-term value.

09

The Group won multiple prestigious awards, including the Outstanding Listed Company Award from The Hong Kong Institute of Financial Analysts, 2025 TOP 7 China Real Estate Developers in Comprehensive Strength by China Real Estate Association and Shanghai E-house Real Estate Research Institute and Influential Real Estate Enterprise for the Year 2025 by Guandian Index Academy, indicating the market’s sustained high recognition of the Group’s operation ability and brand value.

10

## SUMMARY OF THE SUSTAINABILITY REPORT

Yuexiu Property adheres to its brand mission of “Where Good Living Starts” and is unwaveringly advancing its sustainable development strategy anchored on the direction of high-quality development. The Company is focusing on delivering outstanding products, services, brands, and teams, and becoming a pioneer in creating a better urban living experience. In 2025, the Company continued to deepen its efforts in the field of sustainable development and reached new achievements. By improving its strategic governance system, deepening green practices across the entire industry chain, and upgrading sustainable development management standards, the Company continued to consolidate its development foundation, empowered high-quality urban development with its sustainable development, and injected lasting momentum into the construction of a better living environment, striving towards the grand vision of achieving “net zero” emissions by 2060.

This Chapter aims to outline the major highlights of the Group’s sustainable development in 2025 and the latest progress made in various fields. For details of our sustainability strategy, governance policies, targets and indicators, and progress performance, please refer to the 2025 Sustainability Report of Yuexiu Property. An electronic version of the report can be read or downloaded from the Company’s website or the website of the Hong Kong Stock Exchange.

### MAJOR ACHIEVEMENTS AND HIGHLIGHTS IN 2025



#### ENVIRONMENTAL ACHIEVEMENTS



##### Carbon emission intensity

Scope 1 + Scope 2:

Public projects: reduce by **33.7%**  
compared to 2019

Residential projects: reduce by **9.4%**  
compared to 2019

##### Scope 3 greenhouse gas emissions

Among the first to complete the identification, calculation, and disclosure for the **six** categories of Scope 3 emissions

##### Green power trading

**12** million kWh

##### New residential projects that met green building standards

Approximately **2.17** million square metres

##### Proportion of green building for commercial projects

Approximately **90.3%**

##### Proportion of projects adopted prefabricated construction

Approximately **83.9%**

##### Water recourse management

Condensate water recovered reached **15,084** tonnes

Rainwater harvested reached **124,146** tonnes

##### Documents signed with electronic signatures

**1.55** million

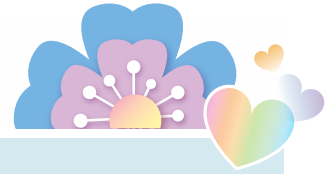
##### Coverage rate of Commercial Energy Management System

Approximately **79%**

## SUMMARY OF THE SUSTAINABILITY REPORT



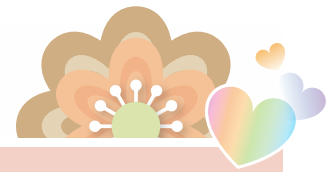
## SOCIAL ACHIEVEMENTS



|   |  |  |
|---|--|--|
| <p><b>Customer satisfaction</b></p> <p>Residential property reached <b>83.0</b> points<br/>Commercial property reached <b>99.7</b> points</p> | <p><b>Annual work-related fatality</b></p> <p><b>0</b></p>   | <p><b>Coverage of safety training for employees</b></p> <p><b>100%</b></p>             |
| <p><b>Average training hours for employees</b></p> <p><b>82.6</b> hours</p>   | <p><b>The number of employees participating in public welfare/volunteer activities</b></p> <p><b>3,279</b></p> | <p><b>Investment in educational public welfare</b></p> <p>RMB <b>75.20</b> million</p> |



## GOVERNANCE ACHIEVEMENTS



|   |  |  |
|---|--|--|
| <p><b>Coverage of anti-corruption training for employees</b></p> <p><b>100%</b></p> | <p><b>Corruption lawsuits</b></p> <p><b>0</b></p>                  | <p><b>Signing rate of Integrity Agreement by suppliers</b></p> <p><b>100%</b></p>                                |
| <p><b>Proportion of sustainable finance</b></p> <p><b>35%</b></p>                   | <p><b>Major information security incidents</b></p> <p><b>0</b></p> | <p><b>Independent assurance of the Sustainability Report</b></p> <p>Conducted for <b>3</b> consecutive years</p> |

SUMMARY OF THE SUSTAINABILITY REPORT

AUTHORITATIVE SUSTAINABILITY RATING AND INDEX PERFORMANCE



Global Real Estate Sustainability Benchmark (GRESB)

Achieved the highest Five Stars rating, with the highest score among Chinese Mainland property companies participating in the assessment



HKQAA Sustainability Rating

Improved to "A+", marking the third consecutive year of rating improvement



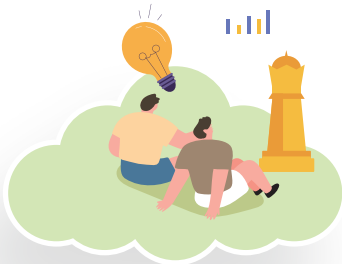
Wind ESG Rating

Rated "AA", ranking 1st in the industry



S&P Corporate Sustainability Assessment

ESG scores: 61, ranking in the top 8% of its global peers



恒生指數  
HANG SENG INDEXES



Hang Seng Corporate Sustainability Index Series

Hang Seng Sustainability Indexes

Included as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for two consecutive years



For the first time included in S&P Global Sustainability Yearbook (China Edition)



SUMMARY OF THE SUSTAINABILITY REPORT

SUSTAINABILITY AWARDS AND RECOGNITIONS



**2025 “ESG Leading Enterprise Award” – Bloomberg Businessweek Chinese Edition**



**Selected for China ESG Listed Company Greater Bay Area Pioneer 50**



**Selected for the Greater Bay Area State-owned Enterprise ESG Development Index**



**Included in the “2025 Outstanding Responsible Competitiveness Practices in Greater Bay Area” case list**

KEY MILESTONES FOR SUSTAINABLE DEVELOPMENT IN 2025

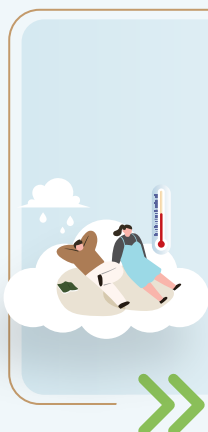
**01 Successful Listing of the First Building Carbon Credit Product for a Specialised Market in China**

The building carbon credit product of Yuexiu Property’s Zhonggang Leatherware Mall was successfully listed on the China Guizhou Green Finance and Emissions Exchange. As **the first** building carbon credit product for a specialised market **in China**, this project represents a milestone achievement, marking a **“zero-to-one”** breakthrough in building carbon credit trading in Guangzhou



**02 Making Innovative Breakthroughs in Sustainable Finance**

- ✿ Signed **the first** HKD1.56 billion **sustainability-linked loan (SLL)**
- ✿ Successfully issued the Group’s **second green dim sum bonds** with a coupon rate of 3.3%, raising RMB2.85 billion
- ✿ The proportion of bond and loan financing from sustainable finance further increased to **35%**, representing an increase of 3.2% compared with 2024



SUMMARY OF THE SUSTAINABILITY REPORT

**03** **Obtained Eighteen WELL Building Standard Certifications**

**Eighteen** of Yuexiu Property’s commercial projects have obtained WELL Building Standard certification. Among these, three landmark projects – Guangzhou International Finance Centre (Guangzhou IFC), Yuexiu Financial Tower, and Guangzhou International Commercial Center (Guangzhou ICC) – have achieved **Platinum-level WELL certification**. Fifteen projects, including Guangzhou ICC Mall, Guangzhou Nansha Yuexiu International Finance Centre, and Wuhan Yuexiu International Finance Centre, obtained the **WELL HSR certification**. For details on relevant green and healthy building standards and certifications, please refer to the Sustainability Report



**04** **Scope 3 Greenhouse Gas Emissions**

During the year, Yuexiu Property completed the screening of Scope 3 emissions, calculating and officially disclosing greenhouse gas emissions for **six** Scope 3 categories, thus establishing a carbon emissions management system covering the entire value chain



**05** **Taskforce on Nature-related Financial Disclosures (TNFD)**

- ✿ Yuexiu Property strictly followed the requirements of the TNFD framework, and innovatively applied the LEAP methodology, completing the two key phases of “Locate” and “Evaluate” in 2024, and completing the subsequent **“Assess”** and **“Prepare”** core phases during the year, thereby achieving comprehensive disclosure at the level of key assets
- ✿ Yuexiu Naturalistic Mansion Moon Lake Ecological Restoration Project was successfully selected as an **“Insight Case”** by **Global Real Estate Sustainability Benchmark (GRESB)**



## SUMMARY OF THE SUSTAINABILITY REPORT

## 06 Conducted the “Double Materiality” Assessment for the First Time

Based on the principle of double materiality, systematic assessment and quantitative analysis of **20** sustainability topics were conducted. From the two dimensions of **“impact materiality”** and **“financial materiality”**, potential risks and opportunities in the field of sustainability were effectively identified, laying the foundation for subsequent ESG governance, strategic planning, and information disclosure



## 07 Special Initiatives for Enhancing Business Ethics

Refined and upgraded three core policies – ***the Anti-Corruption and Anti-Bribery Policy, Code of Business Ethics, and the Information Security Policy*** – while simultaneously enhancing supporting documents to establish a closed-loop compliance system across the entire value chain



## 08 Sustainable Governance and Disclosure

- ✿ Renamed the “Environmental, Social and Governance (ESG) Committee” as the **“Sustainability Committee”**
- ✿ Renamed the Environmental, Social and Governance Report as the **Sustainability Report**
- ✿ Engaged a third-party assurance agency to issue an **independent assurance report** for the Sustainability Report for **3** consecutive **years**



For more information on the sustainability performance of Yuexiu Property this year, please refer to the *Sustainability Report 2025*. After released, the Report can be viewed or downloaded on the website of Yuexiu Property or HKEXnews.



The cover page features a large, central white circle with a double-line border in shades of brown and gold. Inside this circle, the text "CHAIRMAN'S STATEMENT" is written in a bold, gold, serif font. The background is a light beige color with abstract, flowing shapes in shades of brown and gold. On the left side, there is a partial view of a modern building with blue balconies. On the right side, there is a partial view of a brick building with a circular window and a dormer. The overall design is clean and professional.

# CHAIRMAN'S STATEMENT

## CHAIRMAN'S STATEMENT



MR LIN ZHAOYUAN  
CHAIRMAN

### I. BUSINESS REVIEW

#### **Economic and Market Environment**

In 2025, as global inflation continued to slow down, major economies have entered a cycle of interest rate cuts, providing some room for monetary policies to support global economic recovery. However, geopolitical conflicts and evolution of the global trade landscape still brought uncertainties, and the world economy achieved moderate growth amid volatility. Despite multiple pressures, the Chinese economy forged ahead, and continuously optimised the quality and efficiency of development through innovation-driven growth. China's GDP exceeded RMB140 trillion for the first time in 2025, representing a year-on-year growth of 5.0%, maintaining its leading position among major global economies. Key macro-economic indicators remained within acceptable ranges, with continued optimisation and upgrading of the economic structure and rapid development of new quality productive forces, fully achieving the goals set in the "14th Five-Year Plan".



In 2025, China's real estate market showed a bottoming out and stabilising trend amid in-depth adjustments, shifting from scale expansion to high-quality development. According to the National Bureau of Statistics, national newly built commodity housing sales area and sales value in 2025 reported a year-on-year decrease of 8.7% and 12.6%, respectively, a significantly narrower decline compared with that in 2024. Investment in real estate development recorded a year-on-year decline of 17.2%. While this is still a significant decline, year-on-year decrease in the gross floor area ("GFA") of residential projects newly commencing construction showed further improvement. At the policy level, the focus shifted from "supporting and relieving difficulties" to "optimising and boosting", emphasising "controlling new supply, destocking and optimising supply" to pursue a balance between supply and demand. Measures such as adjustment of restrictive measures on city-specific basis, increasing financial support for "ensuring property delivery" and promotion of urban village renovation and affordable housing construction have been implemented, with a view to stemming the downturn and restoring stability in the property market. The pattern of "intensified differentiation and focus on core areas" continued in the land market. Core tier-1 and tier-2 cities, with solid economic fundamentals, population inflow, and supply of premium lands, maintained a hot land market, accompanied by fierce competition for these premium lands. Property developers maintained an extremely prudent investment strategy, and "focusing on core areas" became a common consensus, with investments and resources continuing to flow towards core areas within high-tier cities.

## CHAIRMAN'S STATEMENT

### 2025 Operating Results

In the face of a complex market environment, the Group adhered to its annual work theme of “stabilising performance, seeking breakthroughs, refining management and enhancing capabilities”, consistently integrated itself into the overall national development strategy, focused on the primary task of high-quality development, deepened the strategy of “Coordinated Residential and Commercial Development”, fully implemented refined management, and continuously upgraded its capabilities in product and service. The Group showed strong resilience in market challenges and gained powerful momentum from transformation and upgrading, bringing the “14th Five-Year Plan” to a successful conclusion.

### *Steadily Ranking Among the Top Ten in the Industry in Terms of Sales Value*

Based on its marketing strategy featuring “pinpoint project-based strategy and targeted empowerment”, the Group has built a dynamic marketing matrix. For new projects, it strengthened product positioning and fulfilment of customer needs guided by the “customer value proposition” concept, while implementing a “phased launch” strategy for existing projects. Through big data analysis, it realised precise pricing, promotion and services. In 2025, the Group recorded contracted sales value (including sales of projects of joint ventures and associates) of approximately RMB106.21 billion, maintaining its position in the ranks of enterprises with sales value of over RMB100 billion for three consecutive years. During the Year, the contracted sales value of the six core cities amounted to approximately RMB90.90 billion, representing approximately 85.6% of the total contracted sales of the Group. The Group has steadily ranked among the top ten industry players nationwide in terms of contracted sales value for the full year, ranking ninth, according to CRIC, demonstrating its solid market position and strong development resilience.

### *Achieving Remarkable Results Under the Strategy of “Promoting Stability Through Investment”*

By scientifically controlling the pace of investments, deepening and expanding cooperations and focusing on high-tier core cities, the Group successfully acquired 25 premium land parcels throughout the Year, adding approximately 2.78 million sq.m. to its landbank, with equity investments amounting to approximately RMB24.40 billion. The Group focused its investments on core cities, with equity investments in the six core cities accounting for 96.3% of its total equity investments, and the land acquisition continued to be concentrated in high-tier cities. The Group enjoyed remarkable cost advantages, with the overall investment premium rate of approximately 9.3% for the year, reflecting the acquisition of high-quality lands at a relatively low cost.

### *Strategic Refinement and Resource Optimisation*

As of the end of 2025, the total landbank of the Group amounted to approximately 18.55 million sq.m.. The regional layout of the landbank was highly concentrated, with 94.4% of its land resources located in tier-1 and tier-2 cities. The Greater Bay Area, Eastern China Region, Central-western China Region and Northern China Region accounted for approximately 42.6%, 17.8%, 23.7% and 15.9% of the Group's total landbank, respectively. The resource structure was continuously optimised, with the six core cities accounted for approximately 75% of the Group's total saleable value, laying a solid foundation for future high-quality development.

## CHAIRMAN'S STATEMENT

### *Sound Financial Position and Low Financing Costs*

The Group maintained a secure and sound financial position and adhered to strict cash flow management. The Group's financing costs remained at the lower end of the industry range, with the weighted average borrowing interest rate further decreasing by 44 basis points to 3.05% in 2025. Cash flows were resilient. In 2025, net cash inflows from operating activities reached RMB13.94 billion, securing net inflows for four consecutive years. The Group maintained diverse and accessible financing channels. In 2025, the Group issued two tranches of onshore corporate bonds with an aggregate nominal value of RMB2.9 billion, with coupon rates ranging from 1.95% to 2.5% per annum, and issued its offshore dim sum bonds of RMB2.85 billion, with a coupon rate of 3.3% per annum. As of the end of 2025, with the total liabilities/total assets ratio (excluding unearned revenue) of 65.5%, the net gearing ratio of 54.9%, and the cash to short-term debt ratio of 1.7 times, the "Three Red Lines" indicators of the Group remained in "green lights". The Group successfully obtained a credit rating of investment grade at BBB- by S&P with a "Stable" outlook and maintained its credit rating of investment grade at BBB- by Fitch with the outlook upgraded to "Stable", demonstrating widespread recognition of its financial soundness in the international capital market.

### *Fully Advancing the "Good Housing" Initiative*

Centering on "customers' full lifecycle needs", the Group has built a three-in-one product innovation system that integrates "research-construction-service", comprehensively upgraded its "Yuexiu" product lines, accelerated the development and application of healthy living technology, and integrated "product + service + operation" to promote the construction of "Good Housing, Good Community", thereby achieving a leaping upgrade from "product delivery" to "shared value" and driving sales. Through continuous improvement of the customer research system, the Group has been implementing the "4x4 High-Quality Product Concept". The Group has completed the standardisation and upgrade of its four major product lines to meet the diverse needs of different core customer groups, including those seeking high-end housing for home upgrades and seeking quality residential properties. By vigorously pushing forward the integration of design and construction and the upgrading of "Yue Smart Manufacturing" system, the Group has made improvements in product quality, construction efficiency and customer satisfaction. Multiple projects have won industry design and quality awards, and Yuexiu's "Good Housing" brand image is well recognised.

### *Favourable Development Momentum Shown in the "Second Curve" Business*

The Group continued to deepen the strategy of "Coordinated Residential and Commercial Development". The operation capabilities for commercial properties have been continuously improved, with occupancy rates and rental levels remaining stable. New projects such as Xi'an ICC performed in line with the expectations of the Group. Yuexiu Services Group Limited experienced steady growth in both management scale and revenue, with continuous improvement in service quality, and successfully obtained several benchmark projects. Meanwhile, the Group has made constant efforts to strengthen the synergies between property development and property services. Breakthroughs have been made in the Group's asset-light businesses such as entrusted construction services, and moreover, the Group successfully secured the urban village renovation project in Dongliu Village, Guangzhou, contributing to a more diverse and healthy business ecosystem.

## CHAIRMAN'S STATEMENT

### Adhering to the Concept of “Long-termism” and Pursuing Sustainable Development

The Group adheres to the long-term development philosophy, elevating sustainable development to a core strategic level and integrating it into all aspects of business operations and internal management. During the Year, the Group further practised its commitment to sustainable governance, as evidenced by the renaming of its “Environmental, Social and Governance Committee” to the “Sustainability Committee”, the release of its first Sustainability Report, and the systematic implementation of its annual “dual materiality” assessment. The Group also implemented “dual carbon” initiatives, completing carbon inventory checks across all its business segments, launching the first carbon credit product in the professional market construction sector nationwide, and systematically establishing a scope 3 carbon emissions management framework across its entire value chain. The Group has broadened its green financing channels by securing a HKD1.56 billion sustainability-linked loan and successfully issuing green dim sum bonds of RMB2.85 billion. As of the end of the Year, the proportion of sustainable financing reached 35.0%, with the overall management effectiveness receiving widespread recognition from prominent organisations both domestically and internationally. During the Year, the Company received a “Global Real Estate Sustainability Benchmark” (GRESB) five-star rating (top rating) for the first time, positioning among the top mainland property developers in terms of overall rating. The Company’s Wind ESG rating was upgraded to “AA”, its Hang Seng Sustainability Index rating was upgraded to “A+” and it was included as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index for the second consecutive year. The Company’s performance in S&P CSA ranked among the top 8% of global peers, and it also won the “ESG Leading Enterprise Award” from Bloomberg Businessweek (Chinese Edition), demonstrating a steady increase in its sustainability influence.

## II. BUSINESS OUTLOOK

Looking ahead to 2026, China’s economy will adhere to the principle of seeking progress while maintaining stability and promoting stability through progress. The central government has clearly stated its intention to “focus on stabilising the property market”, with policy directions centred on “controlling new supply, destocking and optimising supply on city-specific basis”. It will also promote the acquisition of existing commercial housing for use as affordable housing. Meanwhile, “deepening the reform of the housing provident fund system” and “orderly promoting the good housing initiative” have been identified as key policy initiatives, and the industry is accelerating the development of a new model centred on people and high-quality development.

The year 2026 marks not only the beginning of the “15th Five-Year Plan”, but also a crucial year for the Group’s transformation and development and a critical period for the industry to shift from pursuing “scale and speed” to “high quality and efficiency”. The Group actively responds to the central government’s core strategy of “stabilising the real estate market”. With a customer-centric approach, guided by the principle of “Being a Company with Quality Products, Excellent Services, Strong Brand and Capable Teamwork”, the Group is building a business portfolio featuring “one main body with two wings” to achieve a three-in-one integration model of development, operation and services, so as to meet people’s diverse needs for good living from all perspectives.

### Focusing on the Principal Business of Property Development, Deepening Urban Renewal and Consolidating Strategic Advantages

The Group will remain firmly rooted in Guangzhou as its home base, driving business development in the Greater Bay Area while continuously deepening its strategic positioning in six core cities. The Group will spare no effort to create more benchmark projects, enabling Yuexiu’s “Good Housing” to gain broader market recognition, thereby strengthening its premium pricing capability. The Group will maintain its leading position in the industry, striving to achieve sales of over RMB100 billion. This will involve continuously strengthening its marketing capabilities and focusing on accelerating sales and destocking. The Group will ensure financial stability and capital safety by maintaining net cash inflows from operating activities. By optimising its financial structure and debt maturity profile, the Group will keep financing costs at the lower end and maintain its investment-grade credit ratings from S&P and Fitch.

## CHAIRMAN'S STATEMENT

### **Strengthening the Property Service Sector and Expanding Value-added Businesses to Achieve High-quality Growth**

The Group will remain committed to improving quality of life through its property services and contributing to urban development through professional operations. On the one hand, the Group will continue to focus on its residential services by prioritising service excellence, leveraging intelligent tools to improve response efficiency and enhance residential security, thereby fostering a warm and harmonious community environment. On the other hand, the Group will actively expand its diverse service offerings across sectors such as commercial properties, office buildings, industrial parks, mass transportation, and public premises. By adhering to the principles of refined management, professional operations, and people-centric services, the Group aims to enhance the quality of public spaces and service experiences, making its property services a reliable link between people, life, and the city.


### **Optimising Commercial Property Sector and Upgrading Asset Management Model to Improve Operational Efficiency**

The Group will focus on its three core businesses – office buildings, shopping malls, and business travel – in order to systematically develop full-cycle operational management capabilities. Firstly, the Group will strengthen its office building operations by optimising tenant mix and service offerings to meet diverse workplace needs, thereby increasing asset value. Secondly, the Group will steadily advance its shopping mall operations by adapting its brand mix and spatial experiences to evolving consumption trends, thereby effectively driving customer traffic and sales performance. Thirdly, the Group will continue to solidify its leading position in business travel business by seizing opportunities arising from market recovery and improving service quality and customer satisfaction through refined operations. Leveraging digital empowerment in management, the Group will strengthen asset synergies and continuously improve professional operational efficiency, thereby supporting the preservation and appreciation of asset value.

### **Acknowledgements**

The Group will concentrate on high-quality development, adhere to the principle of making progress while maintaining stability, and uphold fundamental principles while breaking new grounds. We will adopt a more proactive attitude and a more pragmatic approach, unite our efforts to forge ahead, with a view to continuously creating value in this new cycle of industry development, and at the same time, rewarding shareholders for their trust and support with outstanding performance.

Lastly, the success of the Group is inseparable from the strategic guidance of the Board of Directors, the diligent efforts of the management and all the staff, as well as the long-standing support and trust of shareholders, customers, partners and all sectors of society, to whom sincere gratitude is herewith extended.



**MANAGEMENT  
DISCUSSION AND  
ANALYSIS**





## MANAGEMENT DISCUSSION AND ANALYSIS

### REVENUE AND GROSS PROFIT

In 2025, the Group realised revenue of approximately RMB86.46 billion (2024: RMB86.40 billion), representing a year-on-year increase of 0.1%. The gross profit was approximately RMB6.75 billion (2024: RMB9.05 billion), representing a year-on-year decrease of 25.5%, and the gross profit margin was approximately 7.8%, representing a year-on-year decrease of 2.7 percentage points.

### PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

In 2025, profit attributable to equity holders was approximately RMB0.06 billion (2024: RMB1.04 billion), representing a year-on-year decrease of 94.7%. The core net profit\* was approximately RMB0.26 billion (2024: RMB1.59 billion), representing a year-on-year decrease of 83.5%.

The decrease in profit attributable to equity holders and core net profit was mainly due to: (1) the property market remained in a profound adjustment phase in 2025, with substantial recovery in market confidence and expectations still taking time. In addition, notable market differentiation existed among cities, resulting in a year-on-year decrease in the gross profit margin of the Group's recognised property sales in 2025; and (2) the overall structure of the Group's projects that recognised sales in 2025 underwent a phased change, resulting in a decline in the average equity interest ratio of projects that recognised sales for the Year compared to 2024, and a consequential decrease in profit attributable to equity holders.

### CONTRACTED SALES

In 2025, the Group recorded aggregate contracted sales value (including sales of projects of joint ventures and associates) of approximately RMB106.21 billion, representing a year-on-year decrease of 7.3%. The aggregate contracted sales GFA (including sales of projects of joint ventures and associates) amounted to approximately 2.95 million sq.m., representing a year-on-year decrease of 24.7%, while the average selling price ("ASP") was approximately RMB36,000 per sq.m., representing a year-on-year increase of 23.3%.

Geographically, Greater Bay Area, Eastern China Region, Central-western China Region and Northern China Region accounted for approximately 30.6%, 26.2%, 11.2% and 32.0%, of the contracted sales value for 2025, respectively.

\* To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measure: core net profit. Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recognised in the consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year/period) and the related tax effect, and impairment of intangible assets. We believe that this non-GAAP financial measure is broadly used by management and investors to measure the Group's profitability and provide opportunities for investors to have a better understanding on the Group's operational efficiency. This non-GAAP financial measure presented here has no standardised meaning under GAAP and may not be comparable to similarly titled financial measure presented by other companies. Other companies may calculate their similarly titled financial measure differently, limiting their usefulness as comparative measure to our measure.

## MANAGEMENT DISCUSSION AND ANALYSIS

Contracted sales of the Group in 2025 are summarised as follows:

| Region                       | GFA<br>(sq.m.)   | Value<br>(RMB million) | ASP<br>(RMB/sq.m.) |
|------------------------------|------------------|------------------------|--------------------|
| Greater Bay Area             | 1,209,200        | 32,490                 | 26,900             |
| Eastern China Region         | 536,700          | 27,874                 | 51,900             |
| Central-western China Region | 667,300          | 11,841                 | 17,700             |
| Northern China Region        | 539,300          | 34,009                 | 63,100             |
| <b>Total</b>                 | <b>2,952,500</b> | <b>106,214</b>         | <b>36,000</b>      |

## RECOGNISED SALES

In 2025, the value of the recognised sales and GFA of the recognised sales were approximately RMB79.22 billion and 2.68 million sq.m., respectively, representing a year-on-year decrease of 1.9% and 12.6%, respectively, and the average selling price was approximately RMB29,600 per sq.m., representing a year-on-year increase of 12.1%.

Recognised sales of the Group in 2025 are summarised as follows:

| Region                       | GFA<br>(sq.m.)   | Value<br>(RMB million) | ASP<br>(RMB/sq.m.) |
|------------------------------|------------------|------------------------|--------------------|
| Greater Bay Area             | 687,800          | 17,608                 | 25,600             |
| Eastern China Region         | 900,900          | 32,397                 | 36,000             |
| Central-western China Region | 808,700          | 14,857                 | 18,400             |
| Northern China Region        | 277,900          | 14,354                 | 51,700             |
| <b>Total</b>                 | <b>2,675,300</b> | <b>79,216</b>          | <b>29,600</b>      |

## UNRECOGNISED SALES

As of 31 December 2025, the unrecognised sales value amounted to approximately RMB132.01 billion, representing a decrease of 22.4% as compared to that as of the beginning of the Year, and the unrecognised sales GFA was approximately 3.05 million sq.m., representing a decrease of 33.3% as compared to that as of the beginning of the Year. The average selling price was approximately RMB43,200 per sq.m., representing an increase of 16.1% as compared to that as of the beginning of the Year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### LANDBANK

In 2025, the Group has newly acquired 25 land parcels located in Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Chengdu, Zhengzhou, Xi'an and Foshan with a total GFA of approximately 2.78 million sq.m..

The land parcels newly acquired in 2025 are summarised as follows:

| No. | Project  | Equity Holding | Total GFA<br>(sq.m.) |
|-----|--|----------------|----------------------|
| 1   | Guangzhou Puyue Villa  | 38.19%         | 57,700               |
| 2   | Guangzhou Guangtang Land   | 95.48%         | 166,200              |
| 3   | Guangzhou Joy Riverside  | 52.51%         | 37,400               |
| 4   | Guangzhou Meta Mansion   | 95.48%         | 57,500               |
| 5   | Guangzhou Joyful Clouds (previous name: Guangzhou Jiahewanggang Land)      | 21.70%         | 103,900              |
| 6   | Guangzhou Wonder City II   | 51.39%         | 91,100               |
| 7   | Guangzhou Magnificent Pavilion   | 95.48%         | 115,800              |
| 8   | Shenzhen Brocade   | 47.74%         | 85,500               |
| 9   | Shenzhen Stellar Genesis   | 8.89%          | 307,300              |
| 10  | Foshan Starry Lake   | 50.35%         | 84,000               |
| 11  | Shanghai Jing'an Land  | 19.00%         | 153,900              |
| 12  | Shanghai Jade Joy Mansion II   | 48.45%         | 57,200               |
| 13  | Hangzhou Villa Opus  | 59.84%         | 50,600               |
| 14  | Hangzhou Influential Mansion   | 38.76%         | 86,500               |
| 15  | Hangzhou River Mansion   | 36.46%         | 127,800              |
| 16  | Hangzhou Yunhe Shade (previous name: Hangzhou Gongshu Yunhe New Town Land) | 59.84%         | 49,700               |
| 17  | Hangzhou Brocade Lane  | 95.00%         | 98,000               |
| 18  | Zhengzhou Century Land   | 48.45%         | 77,600               |
| 19  | Chengdu Joy Gather   | 95.00%         | 116,900              |
| 20  | Xi'an Starry Cloud   | 46.55%         | 206,200              |
| 21  | Beijing Puyue (previous name: Beijing Chaoyang Land I)                     | 16.23%         | 117,800              |
| 22  | Beijing Courtyard (previous name: Beijing Chaoyang Land II)                | 16.23%         | 289,200              |
| 23  | Beijing Grand Jade Mansion   | 49.59%         | 111,900              |
| 24  | Beijing Changping Life Science Park Land I                                 | 28.64%         | 61,200               |
| 25  | Beijing Changping Life Science Park Land II                                | 28.64%         | 66,800               |
|     | <b>Total</b>   |                | <b>2,777,700</b>     |

Note: The number of land parcels newly acquired in 2025 is based on the number of development projects expected to be carried out thereon.

As of 31 December 2025, the landbank of the Group reached approximately 18.55 million sq.m., the structure and regional layout of the landbank continued to improve. Geographically, Greater Bay Area, Eastern China Region, Central-western China Region, and Northern China Region accounted for approximately 42.6%, 17.8%, 23.7%, and 15.9%, respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

The landbank of the Group is summarised as follows:

| Region                       | LANDBANK<br>GFA*<br>(sq.m.) |
|------------------------------|-----------------------------|
| Greater Bay Area             | 7,903,400                   |
| Eastern China Region         | 3,300,700                   |
| Central-western China Region | 4,398,000                   |
| Northern China Region        | 2,949,000                   |
| <b>Total</b>                 | <b>18,551,100</b>           |

\* Landbank GFA includes completed but unsold GFA.

### OTHER GAINS AND LOSSES

In 2025, the Group's other gains, net amounted to approximately RMB40 million, which was mainly due to the combined effects of the gains on revaluation of investment properties held at the end of the year, net of approximately RMB84 million and other miscellaneous expenses of approximately RMB44 million. Other losses, net for 2024 amounted to approximately RMB1,395 million, mainly including the gain on disposal of the Guangzhou ICC project of approximately RMB868 million, net losses on revaluation of investment properties for the year of approximately RMB727 million, impairment losses of long-term assets of approximately RMB1,628 million and other miscellaneous income, net of approximately RMB92 million.

As at 31 December 2025, the Group owned investment properties under lease of approximately 1,100,000 sq.m. in total, of which office buildings, commercial properties and car parks and others accounted for approximately 44.5%, 45.8% and 9.7%, respectively. The Group recorded rental income of approximately RMB506 million in 2025, representing a year-on-year decrease of 24.3%, which was mainly due to the disposal of the Guangzhou ICC project in the second half of 2024.

In 2025, the Group recorded net gains on revaluation of investment properties held for the year of approximately RMB84 million, which was mainly attributable to the gains on revaluation of an industrial park in Nansha for the year of approximately RMB140 million due to the transfer of additional leased area to investment properties; gains on revaluation of certain commercial properties in Guangzhou of approximately RMB196 million due to the increase in renewal rent or occupancy rate; and losses on revaluation of Wuhan International Financial City and a commercial property in Nansha for the year of approximately RMB138 million and RMB114 million respectively due to the impact of the market environment.

### SELLING AND MARKETING EXPENSES

In 2025, the Group's selling and marketing expenses were approximately RMB2,811 million, representing a year-on-year increase of 3.4%, which was mainly because the Group adopted more diversified marketing strategies to further facilitate properties sales. Selling and marketing expenses accounted for 3.3% of the revenue for the Year, representing a slight increase of 0.2 percentage point from 3.1% for 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ADMINISTRATIVE EXPENSES

In 2025, the Group's administrative expenses amounted to approximately RMB1,329 million, representing a year-on-year decrease of 10.7%, which was mainly because the Group continued to strengthen control over expenses and strictly followed the annual expenses budget. The administrative expenses accounted for 1.5% of the revenue for the Year, down by 0.2 percentage point from 1.7% for 2024.

### FINANCE COSTS

In 2025, the finance costs of the Group amounted to approximately RMB828 million, representing a decrease of RMB51 million as compared to 2024. This was mainly due to the combined effects of a year-on-year decrease of RMB272 million in interest expense for the Year and a year-on-year increase of RMB221 million in net foreign exchange losses for the Year. Due to the fluctuations in market exchange rates, the Group recorded net foreign exchange losses and losses on fair value of related derivative financial instruments for the Year of approximately RMB100 million in total (2024: net foreign exchange gains and gains on fair value of related derivative financial instruments of approximately RMB121 million). As the overall financing environment has remained moderate since 2025, the Group's weighted average borrowing interest rate for the Year declined to 3.05% per annum from 3.49% per annum for 2024.

### SHARE OF PROFIT FROM ASSOCIATES

In 2025, the overall net profit from associates attributable to the Group was approximately RMB1,219 million (2024: net profit of approximately RMB1,021 million), mainly due to net gains on the investments in cooperative projects.

In 2025, the total distributable amount of Yuexiu REIT amounted to approximately RMB271 million, representing a year-on-year decrease of 14.0%, and the cash distribution attributable to the Group amounted to approximately RMB114 million.

### BASIC EARNINGS PER SHARE

In 2025, basic earnings per share attributable to the equity holders of the Company (calculated based on the weighted average number of ordinary shares outstanding) were RMB0.0137 (2024: RMB0.2584).

### FINAL DIVIDEND

The Board resolved not to declare final dividend for 2025 (2024: Nil), total dividend for the year ended 31 December 2025 amounted to HKD0.166 per share which was equivalent to RMB0.151 per share (2024: total dividend amounted to HKD0.189 per share which was equivalent to RMB0.173 per share).

Dividend payable to shareholders will be paid in HKD. The exchange rate adopted by the Company for its dividend payable is the average of central parity rates of HKD against RMB announced by the People's Bank of China ("PBOC") for the last five consecutive business days preceding the date of dividend resolved/proposed by the Board.

## MANAGEMENT DISCUSSION AND ANALYSIS

### LIQUIDITY AND FINANCIAL RESOURCES

Cash receipts from operating activities and committed banking facilities are the Group's main sources of liquidity. The Group has always adhered to prudent financial management principles, emphasised on funding management and risk control, established an ongoing monitoring system to respond to market changes, ensured healthy and adequate liquidity and secured the business development. While continuing to maintain a good relationship with commercial banks in Chinese mainland and Hong Kong, the Group also explores other funding channels, optimises the capital structure and lowers the funding costs, enhances the ability to protect its resources, and enhances its risk resistance capabilities.

In 2025, the Group obtained new borrowings of approximately RMB47.62 billion, including onshore borrowings of approximately RMB36.08 billion and offshore borrowings of approximately RMB11.54 billion. During the Year, the sell-back period for two tranches of corporate bonds issued by a subsidiary of the Company on the Shanghai Stock Exchange commenced, with the sell-back amounts calculated at par value amounting to RMB370 million and RMB955 million, respectively. Meanwhile, the Group has fully resold the sell-back portions of the aforementioned two tranches of corporate bonds during the Year. As at 31 December 2025, total borrowings amounted to approximately RMB104.83 billion (31 December 2024: RMB103.89 billion), cash and bank balances, time deposits, time deposits and other restricted deposits amounted to approximately RMB46.76 billion, and the net gearing ratio was 54.9%, which was calculated as net debt (i.e., total borrowings less cash and bank balances, time deposits, time deposits and other restricted deposits) divided by total equity. Borrowings due within one year accounted for approximately 26% of the total borrowings (31 December 2024: 22%), fixed-rate borrowings accounted for approximately 45% of the total borrowings (31 December 2024: 44%). The Group's weighted average borrowing interest rate for the Year decreased by 44 basis points to 3.05% per annum from 3.49% per annum for 2024.

As at 31 December 2025, among the Group's total borrowings, approximately 47% was RMB denominated bank borrowings and other borrowings (31 December 2024: 51%), 13% was Hong Kong dollar denominated bank borrowings (31 December 2024: 11%), 7% was Hong Kong dollar and US dollar denominated medium-to-long term notes (31 December 2024: 7%), and 33% was RMB denominated medium-to-long term notes (31 December 2024: 31%).

### WORKING CAPITAL

As at 31 December 2025, the Group's working capital (current assets less current liabilities) amounted to approximately RMB115.64 billion (31 December 2024: approximately RMB120.28 billion). The Group's current ratio (current assets divided by current liabilities) was 1.6 times (31 December 2024: 1.5 times). Cash and bank balances (excluding charged bank deposits) and current portion of time deposits amounted to approximately RMB32.53 billion (31 December 2024: RMB30.20 billion). Charged bank deposits amounted to approximately RMB12.83 billion (31 December 2024: RMB17.56 billion). As a result, the total amount was approximately RMB45.36 billion, of which approximately RMB38.42 billion were denominated in RMB, approximately RMB3.17 billion were denominated in Hong Kong dollar, approximately RMB3.77 billion were denominated in US dollar, and approximately RMB1 million were denominated in other currencies. Undrawn committed bank facilities amounted to approximately RMB46.57 billion.

## MANAGEMENT DISCUSSION AND ANALYSIS

## CAPITAL AND FINANCIAL STRUCTURE ANALYSIS

Set out below is a summary of the Group's debts:

|   | As at                          |                                |
|---|--------------------------------|--------------------------------|
|   | 31 December<br>2025<br>RMB'000 | 31 December<br>2024<br>RMB'000 |
| Borrowings and notes  |                                |                                |
| Denominated in RMB  | 84,227,732                     | 85,024,128                     |
| Denominated in HKD  | 15,018,324                     | 13,124,046                     |
| Denominated in USD  | 5,580,906                      | 5,740,529                      |
| Total borrowings and notes  | <b>104,826,962</b>             | 103,888,703                    |
| Bank overdrafts   | —                              | 39                             |
| Total debts   | <b>104,826,962</b>             | 103,888,742                    |
| <b>Ageing analysis:</b>   |                                |                                |
| Within one year   | 27,201,874                     | 23,268,833                     |
| In the second year  | 27,660,121                     | 34,277,646                     |
| In the third to fifth year  | 36,397,877                     | 33,645,363                     |
| Beyond five years   | 13,567,090                     | 12,696,900                     |
| Total borrowings  | <b>104,826,962</b>             | 103,888,742                    |
| Lease liabilities   | 680,487                        | 787,711                        |
| Less: Cash and bank balances (excluding charged bank deposits) and current portion of time deposits | <b>(32,529,502)</b>            | (30,195,576)                   |
| Net borrowings  | <b>72,977,947</b>              | 74,480,877                     |
| Total equity  | <b>105,832,388</b>             | 104,079,168                    |
| Total capital   | <b>178,810,335</b>             | 178,560,045                    |
| Gearing ratio (net borrowings divided by total capital)   | <b>40.8%</b>                   | 41.7%                          |

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTEREST RATE EXPOSURE

The Group's interest rate exposure is mainly derived from floating-rate loans and deposits denominated in Renminbi, Hong Kong dollars and US dollars. As of 31 December 2025, among total borrowings of the Group, approximately 42% was floating-rate bank loans denominated in Renminbi, approximately 13% was floating-rate bank loans denominated in Hong Kong dollars, approximately 5% was fixed-rate bank loans and other borrowings denominated in Renminbi, approximately 33% was fixed-rate bonds denominated in Renminbi, and approximately 7% was fixed-rate notes denominated in US dollars and Hong Kong dollars. The weighted average borrowing interest rate for 2025 was approximately 3.05% per annum, decreased by 44 basis points from 3.49% per annum for 2024.

With respect to US dollar interest rates, in early 2025, the inflation in the United States was largely under control but still above the 2% target. Subsequently, the US President has introduced the new tariff policies. Given the significant uncertainties related to the impacts of those policies, the Federal Reserve has yet to commence interest rate cuts in the first half of 2025. In September 2025, the Federal Reserve restarted interest rate cuts, with three interest rate cuts of 25 basis points each in September, November and December, respectively, reducing the federal funds rate to a range of 3.5% to 3.75%. At the same time, the Federal Reserve launched a USD40 billion Treasury bond purchasing programme in December 2025, injecting liquidity into the market. In 2026, the trend of US dollar interest rates will still depend on the US inflation data, labour market performance, the impact of subsequent policies of the US government and the development of geopolitics and conflicts. It is expected that the Federal Reserve is highly likely to keep its interest rate unchanged in the first half of 2026, with one interest rate cut of about 25 basis points in the second half of 2026.

With respect to Hong Kong dollar interest rates, due to the impact of the US tariff policies in April 2025, a substantial inflow of capital into Hong Kong occurred in May, which has triggered the strong-side Convertibility Undertaking in Hong Kong. The injection of liquidity by the Hong Kong Monetary Authority (the "HKMA") has led to a significant increase in the aggregate balance in the banking sector. Subsequently, one-month HIBOR fell sharply, with an average of approximately 1% from May to August. In late August, the one-month HIBOR gradually rebounded, and subsequently the Hong Kong dollar fluctuated within a range of 2.3% to 3.9%. Under the linked exchange rate system, Hong Kong dollar interest rates in 2026 are expected to follow the trend of US dollar interest rates, and may experience phased fluctuations due to the influence of the market liquidity of Hong Kong dollar. The HKD-USD interest rate spreads are expected to maintain at around 1%. The Group has not arranged any interest rate hedging instruments during the Year, but will continuously monitor the IRS and CCS quotations of market interest rates to appropriately lock in interest rate risk exposure at reasonable costs, thereby hedging the risk of interest rate fluctuations.

With respect to Renminbi interest rates, in recent years, the PBOC has been implementing a relatively easing monetary policy to stimulate economic recovery and enhance the management and control of the domestic property market exposure. Since 2025, the primary risks facing China's economy included the United States' significant increase in tariffs on goods imported from China and the ongoing crackdown on Chinese companies in the technology sector. The overall domestic economy remained relatively weak, and the real estate market has yet to bottom out and recover. Since March 2026, the escalating conflict in the Middle East and soaring international oil prices have brought more uncertainties and risks to the market. It is expected that the central government will continue to introduce relevant policies in 2026 to stabilise the economy and the property market, and the monetary policies will remain flexible and moderate, with a view to supporting the stable recovery of the domestic economy.

The Group will continue to pay close attention to changes in domestic and foreign interest rate market and continuously optimise its debt structure to manage its interest rate exposure.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FOREIGN EXCHANGE RISK

Since the main business operations of the Group are conducted in Chinese mainland, its income and assets are denominated primarily in Renminbi. The Group has foreign currency denominated financing and is thus exposed to foreign exchange risk. The Group has actively adopted various measures to enhance the management and control of foreign exchange exposure. As at 31 December 2025, among the borrowings denominated in foreign currencies, approximately HKD14.34 billion (equivalent to approximately RMB12.95 billion) was bank borrowings denominated in Hong Kong dollar, approximately USD0.79 billion (equivalent to approximately RMB5.58 billion) was notes denominated in US dollars, and approximately HKD2.29 billion (equivalent to approximately RMB2.07 billion) was notes denominated in Hong Kong dollars. Approximately 20% of the total borrowings of the Group was borrowings denominated in foreign currencies, among which, financial products were purchased to manage part of foreign exchange exposures with respect to the borrowings denominated in foreign currencies equivalent to approximately RMB7.85 billion. The Group currently has limited foreign exchange exposure with controllable exchange rate risks.

In the first half of 2025, China's economic recovery was relatively moderate and uneven, with the domestic economy facing multiple challenges, such as the still volatile real estate market, weaker-than-expected domestic consumption and the uncertainty surrounding the China-US tariff war, leading to the significantly fluctuated RMB exchange rates. In the second half of the Year, with the continued implementation of the national policy on promoting stable economic growth and the Federal Reserve's interest rate cuts, RMB exchange rates experienced strong two-way fluctuations. In 2026, due to the escalating conflict in the Middle East, the expectation of interest rate cuts by the Federal Reserve has weakened significantly. However, it is expected that the Federal Reserve's interest rate cutting cycle will continue, and the exchange rates of RMB against USD and HKD will remain basically stable with a slight increase at a reasonably balanced level. Meanwhile, it is expected that the central government will continue to introduce relevant policy initiatives and measures to boost economic growth and stabilise the financial market and exchange rates.

The Group will continue to keep track of developments in the foreign exchange market, appropriately adopt financial instruments to manage its foreign exchange exposure, and optimise its debt structure to manage its foreign exchange exposure.

### COMMITMENTS FOR PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2025, the Group did not have contractual commitments in respect of purchases of property, plant and equipment (31 December 2024: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINGENT LIABILITIES

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 for repaying 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. Such guarantees shall terminate upon issuance of the relevant property ownership certificates. As of 31 December 2025, the total contingent liabilities relating to these guarantees amounted to approximately RMB30.36 billion (31 December 2024: RMB44.11 billion).

As at 31 December 2025, certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB2,171 million (31 December 2024: RMB6,554 million) in respect of loans borrowed by joint ventures and associates of the Group, among which, guarantee of approximately RMB517 million (31 December 2024: RMB725 million) was utilised and guarantee of approximately RMB1,654 million (31 December 2024: RMB5,829 million) was not utilised yet.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had approximately 14,000 employees (30 June 2025: 14,940 employees). The Group offers its employees reasonable remuneration in accordance with industry practice. Salary increment and promotion of employees are based on performance and achievements. In the meantime, the Group provides employees with other benefits, such as mandatory provident funds, medical insurance, educational allowances and professional training. The Group adopted the Share Incentive Scheme on 2 December 2016 and the Share Award Scheme on 17 March 2017. Both schemes will (i) provide the selected participants (including senior management, middle management and other employees) with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals to work with the Company and the Group; and (iii) provide additional incentive for them to achieve performance goals and promote the pursuit of long-term interests of the Group, the Company and its shareholders, with a view to achieving the objective of aligning the interests of the selected participants with those of the shareholders of the Company. Details of the Share Incentive Scheme and Share Award Scheme have been respectively disclosed in the announcements dated 2 December 2016 and 17 March 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SUSTAINABILITY POLICY

The Board of the Group attaches great importance to sustainability management. In accordance with the requirements of the Environmental, Social and Governance Reporting Code of The Stock Exchange of Hong Kong Limited, Yuexiu Property has established an effective sustainability management system, improved the Group's sustainability governance structure and strengthened the supervision and participation of the Board in the Group's sustainability affairs. The Board, as the highest governing body of the Group, takes the full responsibility for sustainability affairs of Yuexiu Property. In March 2022, the Sustainability Committee (formerly known as Environmental, Social and Governance Committee) chaired by the Chairman of the Board and staffed by the general manager and independent non-executive directors of the Company was established and the responsibilities of the Sustainability Committee are listed in the Corporate Governance Report. In addition, a Sustainability Leadership Group (formerly known as ESG Leadership Group) is formed under the committee, with the general manager as the leader and the relevant functional lines or regional leaders as the group members, and is responsible for coordinating and supervising the implementation of sustainability management, and periodically reporting sustainability performance to the Sustainability Committee.

### CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

Certain loan agreements of the Company and its subsidiaries ("Loan Agreements") include a condition that imposes one or more of the following specific performance obligations on Yue Xiu Enterprises (Holdings) Limited, the controlling shareholder of the Company, or (as the case may be) Guangzhou Yue Xiu Holdings Limited, the ultimate controlling shareholder of the Company:

- (i) the controlling shareholder remains to be the single largest beneficial shareholder of the Company;
- (ii) the controlling shareholder maintains a shareholding interest of not less than 30% in the issued voting shares of the Company;
- (iii) the controlling shareholder maintains effective management control over the Company.

As at 31 December 2025, the aggregate balance of the loans provided was HKD14,603,429,995. The Loan Agreements will expire during the period from 30 March 2026 to 5 December 2028.

Breach of the above specific performance obligations will constitute an event of default. Upon the occurrence of such event of default, the relevant bank may declare the relevant facility to be terminated and all the indebtedness under the relevant facility has become immediately due and payable.

## MANAGEMENT DISCUSSION AND ANALYSIS

On 20 January 2021, Westwood Group Holdings Limited ("Westwood"), an indirect wholly-owned subsidiary of the Company, issued USD600 million 2.80 per cent. guaranteed notes due 2026 (the "2026 Notes") and USD150 million 3.80 per cent. guaranteed notes due 2031 to investors under the USD3,000 million Guaranteed MTN Programme (updated on 11 January 2021). On 26 January 2021, Westwood issued USD50 million 2.80 per cent. guaranteed notes due 2026 to investors (to be consolidated and form a single series with the 2026 Notes). Pursuant to the terms and conditions of the programme, Guangzhou Yue Xiu Holdings Limited is required to maintain control (as defined in the announcements dated 13 January 2021 and 21 January 2021) of the Company. Breach of the above obligation will cause a default under the terms and conditions whereby the noteholders are entitled to exercise their change of control put options. The aforesaid 2026 Notes had been repaid in full on 20 January 2026.

On 16 January 2023, Joy Delight International Limited ("Joy Delight"), an indirect wholly-owned subsidiary of the Company, issued RMB2,000 million 4.00 per cent. guaranteed notes due 2026 to investors. Pursuant to the terms and conditions of the notes, Guangzhou Yue Xiu Holdings Limited is required to maintain control (as defined in the announcement dated 10 January 2023) of the Company. Breach of the above obligation will cause a default under the terms and conditions whereby the noteholders are entitled to exercise their change of control put options. The notes had been repaid in full on 16 January 2026.

On 12 May 2023, Joy Delight issued RMB1,396 million 3.80 per cent. guaranteed notes due 2026 to investors. Pursuant to the terms and conditions of the notes, Guangzhou Yue Xiu Holdings Limited is required to maintain control (as defined in the announcement dated 8 May 2023) of the Company. Breach of the above obligation will cause a default under the terms and conditions whereby the noteholders are entitled to exercise their change of control put options.

On 15 November 2023, Joy Delight issued RMB510 million 4.00 per cent. guaranteed notes due 2026 (which were upsized on 19 January 2024 such that the aggregate principal amount of such notes reached RMB1,210 million) to investors. Pursuant to the terms and conditions of the notes, Guangzhou Yue Xiu Holdings Limited is required to maintain control (as defined in the announcement dated 9 November 2023) of the Company. Breach of the above obligation will cause a default under the terms and conditions whereby the noteholders are entitled to exercise their change of control put options.

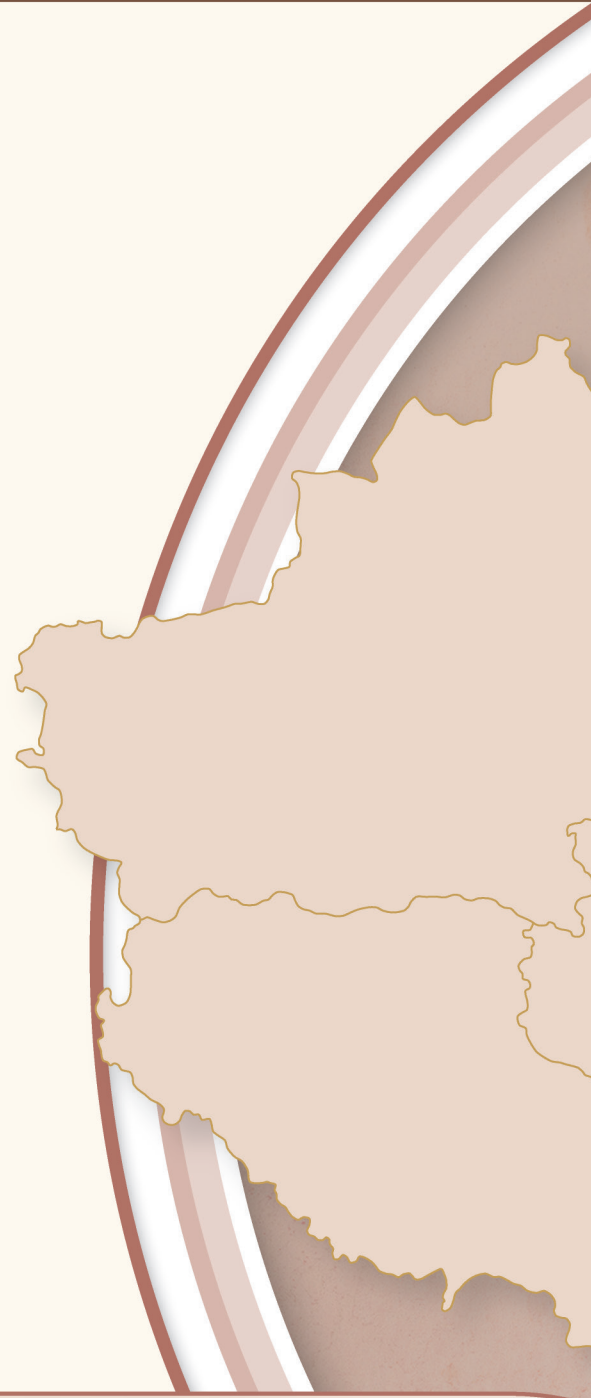
On 15 July 2024, Joy Delight issued RMB1,690 million 4.10 per cent. guaranteed green notes due 2027 to investors. Pursuant to the terms and conditions of the notes, Guangzhou Yue Xiu Holdings Limited is required to maintain control (as defined in the announcement dated 8 July 2024) of the Company. Breach of the above obligation will cause a default under the terms and conditions whereby the noteholders are entitled to exercise their change of control put options.

On 4 November 2025, Joy Delight issued RMB2,850 million 3.30 per cent. guaranteed green notes due 2028 to investors. Pursuant to the terms and conditions of the notes, Guangzhou Yue Xiu Holdings Limited is required to maintain control (as defined in the announcement dated 27 October 2025) of the Company. Breach of the above obligation will cause a default under the terms and conditions whereby the noteholders are entitled to exercise their change of control put options.

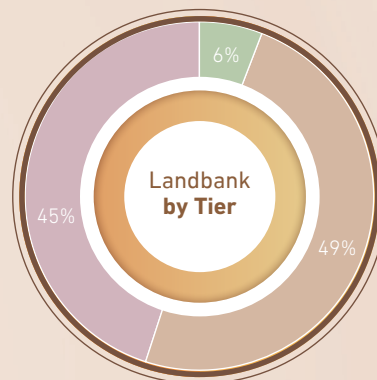
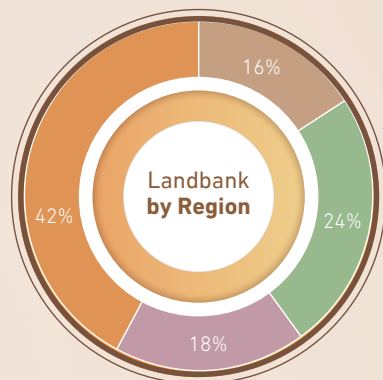
These obligations have been duly complied with for the year ended 31 December 2025.

# PROPERTY DEVELOPMENT

| REGION                              |              | GFA (sq.m.)       |
|-------------------------------------|--------------|-------------------|
| <b>Greater Bay Area</b>             | <b>42.6%</b> | <b>7,903,400</b>  |
| Guangzhou                           |              | 6,655,800         |
| Shenzhen                            |              | 395,100           |
| Foshan                              |              | 192,000           |
| Dongguan                            |              | 76,600            |
| Jiangmen                            |              | 208,800           |
| Zhongshan                           |              | 205,800           |
| Hong Kong                           |              | 68,800            |
| Haikou                              |              | 100,500           |
| <b>Eastern China Region</b>         | <b>17.8%</b> | <b>3,300,700</b>  |
| Shanghai                            |              | 685,600           |
| Hangzhou                            |              | 1,773,700         |
| Suzhou                              |              | 517,000           |
| Nantong                             |              | 84,200            |
| Nanjing                             |              | 206,000           |
| Ningbo                              |              | 34,200            |
| <b>Central-western China Region</b> | <b>23.7%</b> | <b>4,398,000</b>  |
| Wuhan                               |              | 469,600           |
| Xiangyang                           |              | 233,300           |
| Hefei                               |              | 258,600           |
| Zhengzhou                           |              | 559,800           |
| Changsha                            |              | 822,700           |
| Chenzhou                            |              | 591,400           |
| Chongqing                           |              | 347,000           |
| Chengdu                             |              | 369,000           |
| Xi'an                               |              | 746,600           |
| <b>Northern China Region</b>        | <b>15.9%</b> | <b>2,949,000</b>  |
| Beijing                             |              | 1,504,700         |
| Shenyang                            |              | 489,900           |
| Qingdao                             |              | 838,500           |
| Yantai                              |              | 29,500            |
| Ji'nan                              |              | 86,400            |
| <b>Total</b>                        | <b>100%</b>  | <b>18,551,100</b> |

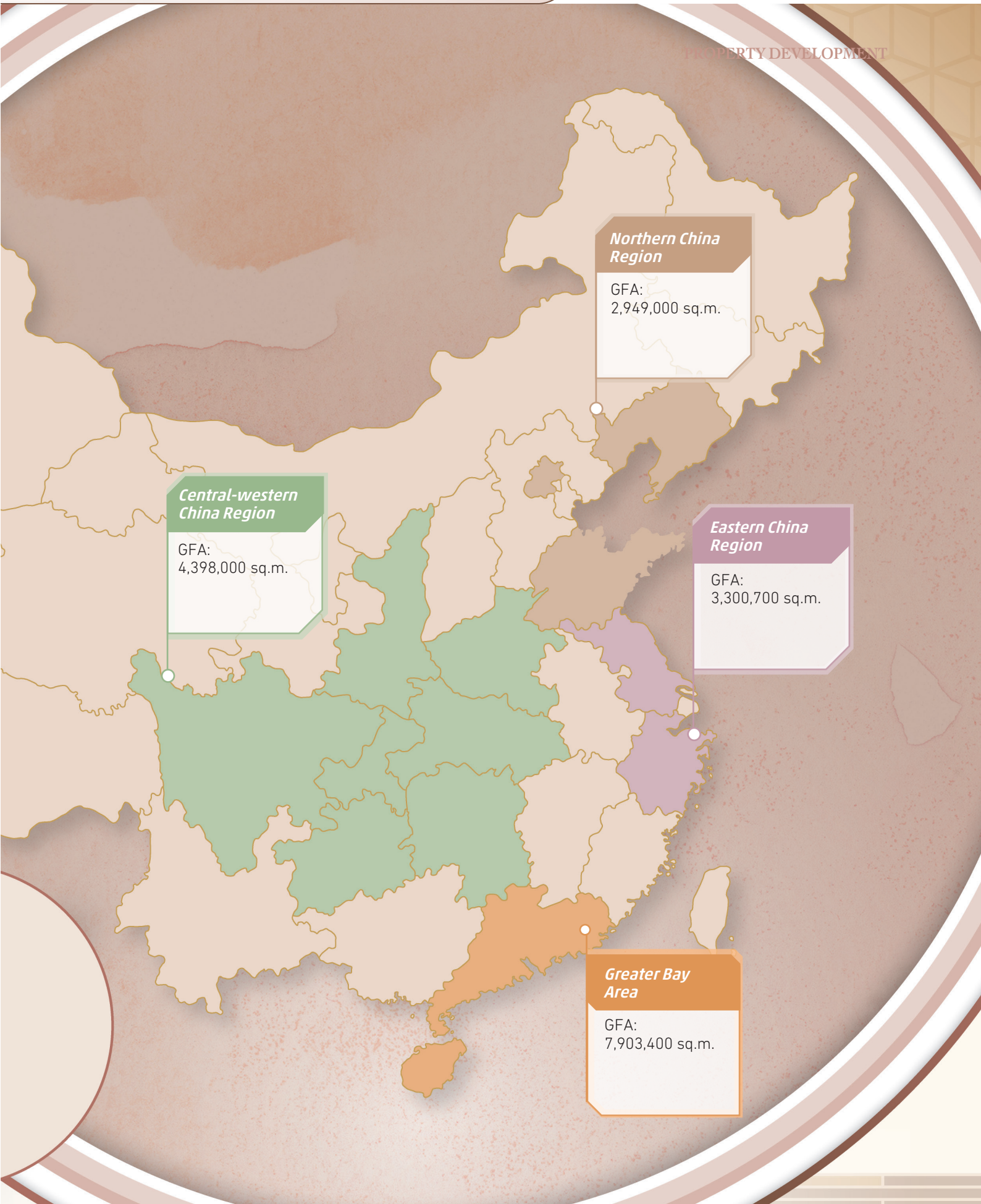


- Greater Bay Area
- Eastern China Region
- Central-western China Region
- Northern China Region



- Tier 1
- Tier 2
- Tier 3 & 4

PROPERTY DEVELOPMENT



## PROPERTY DEVELOPMENT

## GUANGZHOU

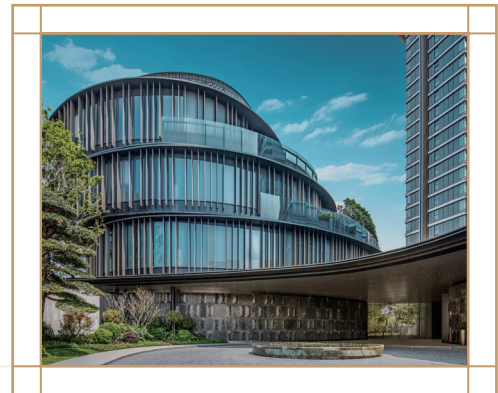


### GUANGZHOU NATURALISTIC MANSION

Location: Tianhe District, Guangzhou  
 Site area: 68,700 sq.m.  
 Total GFA: 141,700 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2027  
 Proportion of the Group's interest: 95.48%

### GUANGZHOU PAZHOU SOUTH TOD II

Location: Haizhu District, Guangzhou  
 Site area: 166,300 sq.m.  
 Total GFA: 541,100 sq.m.  
 Intended use: Residential/Commercial  
 Project phase: Under construction  
 Estimated completion time: 2026  
 Proportion of the Group's interest: 19.10%



### GUANGZHOU META MANSION

Location: Baiyun District, Guangzhou  
 Site area: 21,000 sq.m.  
 Total GFA: 57,500 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2027  
 Proportion of the Group's interest: 95.48%



## BEIJING

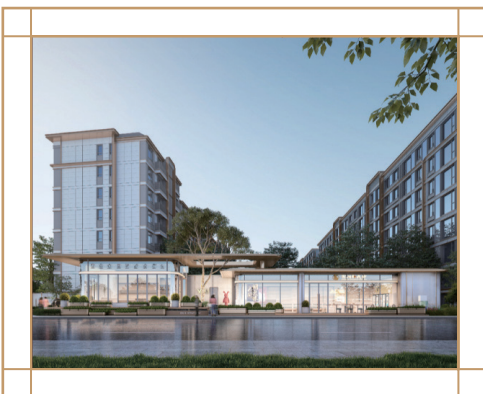


### BEIJING GRAND MANSION

Location: Haidian District, Beijing  
 Site area: 42,500 sq.m.  
 Total GFA: 140,500 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2026  
 Proportion of the Group's interest: 34.87%

### BEIJING PUYUE

Location: Chaoyang District, Beijing  
 Site area: 35,300 sq.m.  
 Total GFA: 117,800 sq.m.  
 Intended use: Residential/Commercial  
 Project phase: Under construction  
 Estimated completion time: 2027  
 Proportion of the Group's interest: 16.23%



### BEIJING STELLAR FUTURE

Location: Changping District, Beijing  
 Site area: 67,900 sq.m.  
 Total GFA: 172,100 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2026  
 Proportion of the Group's interest: 74.73%

## PROPERTY DEVELOPMENT

## SHANGHAI



## SHANGHAI JADE JOY MANSION

Location: Pudong New Area, Shanghai

Site area: 53,100 sq.m.

Total GFA: 152,600 sq.m.

Intended use: Residential

Project phase: Under construction

Estimated completion time: 2026

Proportion of the Group's interest: 27.55%

## SHANGHAI JING'AN TIANYUE

Location: Jing'an District, Shanghai

Site area: 8,200 sq.m.

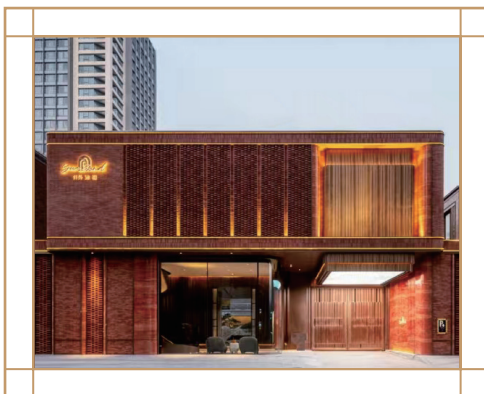
Total GFA: 32,300 sq.m.

Intended use: Residential

Project phase: Under construction

Estimated completion time: 2026

Proportion of the Group's interest: 95.00%



## SHANGHAI YUE BUND

Location: Hongkou District, Shanghai

Site area: 10,800 sq.m.

Total GFA: 36,400 sq.m.

Intended use: Residential

Project phase: Under construction

Estimated completion time: 2026

Proportion of the Group's interest: 46.55%



## HANGZHOU

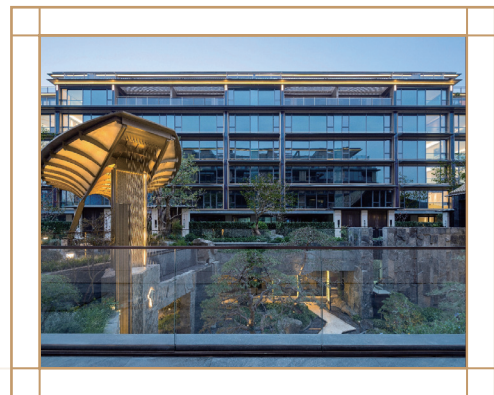


### HANGZHOU VILLA OPUS

Location: Lin'an District, Hangzhou  
 Site area: 26,000 sq.m.  
 Total GFA: 50,600 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2027  
 Proportion of the Group's interest: 59.84%

### HANGZHOU YUNHE SHADE

Location: Gongshu District, Hangzhou  
 Site area: 16,500 sq.m.  
 Total GFA: 49,700 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2026  
 Proportion of the Group's interest: 59.84%



### HANGZHOU INFLUENTIAL MANSION

Location: Linping District, Hangzhou  
 Site area: 39,400 sq.m.  
 Total GFA: 86,500 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2026  
 Proportion of the Group's interest: 38.76%



## PROPERTY DEVELOPMENT

## CHENGDU

**CHENGDU ABUNDANT MANSION**

Location: Wuhou District, Chengdu  
 Site area: 22,900 sq.m.  
 Total GFA: 87,100 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2026  
 Proportion of the Group's interest: 48.45%

**CHENGDU PRESENT SANDS**

Location: Qingyang District, Chengdu  
 Site area: 17,000 sq.m.  
 Total GFA: 48,300 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2026  
 Proportion of the Group's interest: 95.43%

**CHENGDU JOY GATHER**

Location: Chenghua District, Chengdu  
 Site area: 40,000 sq.m.  
 Total GFA: 116,900 sq.m.  
 Intended use: Residential  
 Project phase: Under construction  
 Estimated completion time: 2027  
 Proportion of the Group's interest: 95.00%



## INVESTOR RELATIONS REPORT

The Group has always attached great importance to an effective two-way communication with investors, firmly believing that maintaining good investor relations and continuously improving information transparency are crucial cornerstones for enhancing confidence from the market in the Group. To this end, the Group has set up a professional investor relations management team dedicated to acting as a communication bridge between the Group on one side and shareholders, investors and analysts on the other side. In 2025, the Group maintained active interaction with investors on the premise of strictly following the laws and regulations for listed companies and ensuring that all investors have equal access to information.

In terms of information disclosure, the Group adhered to high standards of transparency, constantly optimised the contents of its interim and annual report, announcement, results presentation, press release, etc., and proactively and regularly published announcement on unaudited monthly sales and land acquisition, so as to update the capital market with the Company's latest business developments in a timely manner.

In terms of investor communication and exchanges, the Group continuously improved communication efficiency and interaction quality, maintaining a smooth communication with investors around the world. In 2025, we held annual and interim results presentations via telephone conference, while the general meetings were held onsite. At the same time, we actively conducted various types of investor relations activities, including results roadshows, investor conferences, one-on-one conversations and reverse roadshows through both online and offline methods. We not only leveraged telephone and online conference platforms but also actively organised and participated in offline discussions and project visits, providing investors with diverse and convenient communication channels to help them comprehensively understand the Group's recent operations and strategic direction in a timely manner. Besides, the Group has set up investor relations emails, dedicated hotlines and other common channels to maintain smooth daily exchanges with investors and facilitate updating investors with the latest developments of the Group in a timely manner.

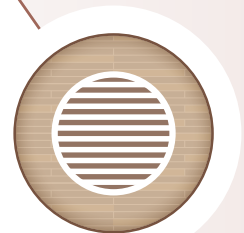


## INVESTOR RELATIONS REPORT

The Group not only focuses on communicating information to the market, but also highly values the feedback from the capital market. By systematically collecting investor opinions and suggestions and conducting specialised research and analysis, we timely and accurately convey market feedback to the management, thereby promoting continuous improvement in corporate governance level, building a virtuous cycle of interaction between investors and the management, and being committed to creating long-term and stable value for shareholders.

### Key Investor Relations Activities in 2025

|                  |   |   |
|------------------|---|---|
| <b>March</b>     |    | 2024 Annual Results Presentation of Yuexiu Property<br>2024 Annual Results Roadshow of Yuexiu Property  |
| <b>May</b>       |  | Soochow Securities Strategy Forum<br>SWSC Strategy Forum  |
| <b>July</b>      |  | Soochow Securities Strategy Forum<br>SWSC Strategy Forum  |
| <b>August</b>    |  | 2025 Interim Results Presentation of Yuexiu Property<br>2025 Interim Results Roadshow of Yuexiu Property  |
| <b>September</b> |  | SWSC Strategy Forum   |
| <b>November</b>  |  | Citi Securities Strategy Forum<br>Caitong Securities Strategy Forum<br>CITIC Securities Strategy Forum<br>CICC Strategy Forum<br>Eastmoney Securities Strategy Forum<br>SWSC Strategy Forum<br>UBS Strategy Forum |



# AWARDS AND RECOGNITIONS



- |   |   |
|---|---|
| <p>① <b>2025 TOP 100 China Real Estate Enterprises</b><br/>China Index Research Institute</p> <p>② <b>2025 TOP 9 Real Estate Companies in China in terms of Product Competitiveness</b><br/>CRIC Research Center</p> <p>③ <b>2025 TOP 7 China Real Estate Developers in Comprehensive Strength</b><br/>China Real Estate Association, Shanghai E-house Real Estate Research Institute</p> | <p>④ <b>Outstanding Listed Company Award 2025</b><br/>The Hong Kong Institute of Financial Analysts and Professional Commentators Limited</p> <p>⑤ <b>ESG Leading Enterprise Award</b><br/>Bloomberg Businessweek Chinese Edition</p> <p>⑥ <b>Influential Real Estate Enterprise for the Year 2025</b><br/>Guandian Index Academy</p> |
|---|---|

## DIRECTORS' PROFILES

### EXECUTIVE DIRECTORS

**Mr Lin Zhaoyuan**, aged 56, was appointed as Chairman of the Company in August 2018. Mr Lin has been an executive director of the Company since November 2015. He had been the vice chairman of the Board and the general manager of the Company. He is also a director, vice chairman and general manager of Guangzhou Yue Xiu Holdings Limited ("Guangzhou Yue Xiu"), the ultimate holding company of the Company, and Yue Xiu Enterprises (Holdings) Limited ("YXE"), a wholly-owned subsidiary of Guangzhou Yue Xiu, and also the controlling shareholder of the Company, and chairman of the board of Guangzhou City Construction & Development Co. Ltd. ("GCCD") and a non-executive director of Chong Hing Bank Limited ("Chong Hing Bank"). Mr Lin holds a Bachelor's degree of economics and a master of business administration degree of Sun Yat-sen University in the People's Republic of China (the "PRC") and the qualification of mechanical engineer. He had been chairman of the board of Guangzhou Paper Group Co. Ltd.\* (廣州造紙集團有限公司) ("Guangzhou Paper Group"), an assistant to general manager and a deputy general manager of Guangzhou Yue Xiu and YXE, and chairman and a non-executive director of Yuexiu REIT Asset Management Limited (the manager of Yuexiu Real Estate Investment Trust ("Yuexiu REIT") (Stock Code: 405), which is listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange")). From October 2023 to June 2025, he acted as chairman and a non-executive director of Yuexiu Financial Holdings Limited ("YFHL"). Mr Lin has extensive experience in corporate management, sound and efficient management, cost control and corporate restructuring and development and is forward-looking and innovative in corporate operations and management.

**Mr Zhu Huisong**, aged 51, was appointed as the vice chairman of the Board and the general manager of the Company in December 2024. Mr Zhu has been an executive director of the Company since April 2023. He had been the co-general manager of the Company. He has over 10 years of senior management experience in business operations of the Group. From January 2008 to October 2009, Mr Zhu served in GCCD and held the last position as the supervisor of the general office of GCCD. From October 2009 to September 2011, he served successively as the vice department head and the department head of the general department of Guangzhou Yuexiu City Construction International Finance Centre Co., Ltd.\* (廣州越秀城建國際金融中心有限公司). From October 2011 to November 2012, he served as a senior manager of the general office of GCCD. From November 2012 to November 2018, he served in a number of regional companies of the Group in Shandong and held the last position as the general manager. From November 2018 to April 2020, he acted successively as the general manager of the regional companies of the Group in Northern China and Eastern China. From April 2020 to March 2023, he acted as the chairman of the regional companies of the Group in Northern China. From April 2020 to April 2024, he acted as the chairman of the board of directors of the regional companies of the Group in Eastern China. From April 2023 to December 2024, he acted as the co-general manager of GCCD. From April 2024 to May 2025, he acted as the chairman and non-executive director of Yuexiu Services Group Limited ("Yuexiu Services") (Stock Code: 6626), which is a subsidiary of the Company and a company listed on the Stock Exchange. Mr Zhu has also been acting as a director and the general manager of GCCD since April 2023 and December 2024, respectively, and the chairman of the board of directors of Guangzhou Yuexiu Xingye Property Agent Co. Ltd.\* (廣州越秀興業地產代理有限公司) since May 2023. As an executive director and the general manager of the Company, Mr Zhu is responsible for overseeing the overall management, formulation and implementation of business strategies of the Group. Mr Zhu obtained a higher education certificate in financial accounting from Guangdong University of Petrochemical Technology\* (廣東石油化工高等專科學校) in the PRC in July 1996. He further obtained a bachelor's degree in administrative management through correspondence learning from Guangdong Polytechnic Normal College\* (廣東技術師範學院) (currently known as Guangdong Polytechnic Normal University\* (廣東技術師範大學)) in the PRC in January 2008. Mr Zhu completed a postgraduate course in professional business management from the postgraduate school of Ocean University of China (中國海洋大學) in 2021. Mr. Zhu obtained an executive master's degree in business administration from the University of Texas at Arlington in May 2025. Since November 2003, Mr Zhu has been a qualified intermediate economist specialising in commercial economy in the PRC. Mr Zhu has also qualified as a senior economist specialising in construction and real estate economics in the PRC in 2023. Mr Zhu has extensive experience in corporate investment decision-making, operational management, and real estate project operations.

## DIRECTORS' PROFILES

**Mr Jiang Guoxiong**, aged 53, was appointed as an executive director and the co-general manager of the Company in December 2024. He served as the deputy general manager of the Company from July 2021 to December 2024. He has been a director and the co-general manager of GCCD since January 2022 and December 2024, respectively. Since February 2023, he has been serving as the chairman of the board of directors of the regional companies of the Group in Central and Western China. Since April 2024, he has also been serving as the chairman of the board of directors of the regional companies of the Group in its commercial division. Since May 2025, he has been the non-executive director and chairman of Yuexiu Services (Stock Code: 6626), which is listed on the Stock Exchange and the non-executive director and chairman of Yuexiu REIT Asset Management Limited (the manager of Yuexiu REIT (Stock Code: 405), which is listed on the Stock Exchange). From July 1991 to November 2015, Mr Jiang served successively as a finance department accountant, deputy department head, department head and chief financial officer at Guangzhou Paper Mill\* (廣州造紙廠) (currently known as Guangzhou Paper Group). From November 2015 to March 2023, he served successively as the general manager of the finance department, process information department, operations management centre, IT shared centre and digital intelligence development centre at GCCD. He served as the assistant to the general manager of the Company from March 2019 to July 2021 and also served as the assistant to the general manager at GCCD from April 2019 to July 2021. He served as the deputy general manager of GCCD from July 2021 to December 2024. From November 2020 to December 2024, he successively served as the chairman of the board of directors and general manager of the regional companies of the Group in Central China, and Western and Southern China, as well as the general manager of the regional companies of the Group in Central and Western China. From April 2024 to April 2025, he served as the chairman of the board of directors of the regional companies of the Group in Eastern China. Mr Jiang obtained an undergraduate degree in accounting from Jinan University in the PRC in June 2008. He also obtained the qualification of intermediate accountant in the PRC in May 2000. As an executive Director and the co-general manager of the Company, Mr Jiang is responsible for overseeing the overall management, formulation and implementation of the business strategies of the Group. Mr Jiang holds positions in various subsidiaries of the Group and has extensive experience in corporate investment decision-making, financial management, and operations management.

**Mr He Yuping**, aged 53, was appointed as an executive director of the Company in April 2023. He has over 15 years of senior management experience in business development, legal compliance and risk management in the group of Guangzhou Yue Xiu. From January 2003 to August 2003, Mr He served in GCCD and held the last position as the senior supervisor of the enterprise management department. From August 2003 to April 2004, he served as a deputy general manager of the enterprise management (investment) department of Guangzhou Yue Xiu. From April 2004 to November 2008, he practised as a lawyer in Guangdong Eastern Kunlun Law Firm\* (廣東東方昆侖律師事務所). From July 2014 and January 2018 to August 2020, he acted as the general manager of the development department of Guangzhou Yue Xiu and YXE, respectively. Since November 2008 and January 2018, Mr He served as the general manager of the legal compliance and risk management department of Guangzhou Yue Xiu and YXE, respectively. From July 2015 and February 2017, he has acted as the company secretary of the board of directors and the chief legal adviser of Guangzhou Yue Xiu, respectively. Since October 2022, Mr He has acted as the chief compliance officer of Guangzhou Yue Xiu and YXE. Since May 2018, he has been a director of Guangzhou Yuexiu Capital Holdings Group Co., Ltd.\* (廣州越秀資本控股集團股份有限公司) (formerly known as Guangzhou Yuexiu Financial Holdings Group Co., Ltd. (廣州越秀金融控股集團股份有限公司) ("GZYCHL"), an associate (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) of Guangzhou Yue Xiu, the shares of which are listed on the

## DIRECTORS' PROFILES

Shenzhen Stock Exchange (Stock Code: 000987.SZ). Mr He has also been acting as the chairman of the board of directors of Guangzhou Yuexiu Dairy Group Co., Ltd.\* ("Yuexiu Dairy") (廣州越秀乳業集團有限公司) and Liaoning Yuexiu Huishan Holdings Co., Ltd.\* ("Liaoning Huishan") (遼寧越秀輝山控股股份有限公司). As an executive director of the Company, Mr He is responsible for overseeing the overall management, formulation and implementation of business strategies of the Group. Mr He obtained a bachelor's degree in laws and a master's degree in laws both majoring in economic law from The Southwest University of Political Science & Law\* (西南政法大學) in the PRC in July 1995 and July 1998, respectively. He further obtained a master of business administration programme from China Europe International Business School in October 2013. Over the years, Mr He has taken up senior management roles in the group of Guangzhou Yue Xiu, including directorships in a number of subsidiaries of Guangzhou Yue Xiu, responsible for overseeing the strategic planning and overall operations and management.

**Ms Chen Jing**, aged 54, was appointed as executive director of the Company in July 2017. Ms Chen is the chief financial officer of Guangzhou Yue Xiu and YXE, a director of GCCD, a non-executive director of YFHL and Chong Hing Bank and an executive director of Yuexiu Transport Infrastructure Limited ("Yuexiu Transport") (Stock Code: 1052), which is listed on the Stock Exchange and a director of Guangzhou Yuexiu Agriculture and Animal Husbandry Food Technology Co., Ltd.. She is also a director of each of Bosworth International Limited, Greenwood Pacific Limited, Morrison Pacific Limited, Superb Master Ltd. and Goldstock International Limited, all being wholly-owned subsidiaries of YXE holding shares of the Company. Ms Chen graduated from Xi'an Jiaotong University in audit studies, and holds a master of business administration degree of the School of Management and Economics of the Beijing Institute of Technology in the PRC. She obtained the qualifications of auditor and certified internal auditor in the PRC. Ms Chen joined Guangzhou Yue Xiu in July 2004 and was the deputy general manager of the supervisory (audit) office, the general manager of the audit department, the chairman of the board of directors of Yue Xiu Securities Holdings Limited, the general manager of the finance department of Guangzhou Yue Xiu and YXE and a director of Yuexiu Dairy and the chief financial officer of the Company. Ms Chen has participated in establishing systems to monitor the major risks and finance of Guangzhou Yue Xiu. Ms Chen is well versed in risk and internal control management, financial management of listed companies and has extensive experience in establishing a sound system for risk management and internal control, financial management for enterprises. Prior to joining Guangzhou Yue Xiu, Ms Chen worked in school of business of the Hubei University and Hisense Kelon Electrical Holdings Company Limited.

**Ms Liu Yan**, aged 47, was appointed as executive director of the Company in August 2018. Ms Liu is the chief operating officer of Guangzhou Yue Xiu and YXE. She is also a director of GCCD. Ms Liu is also the chairman and an executive director of Yuexiu Transport (Stock Code: 1052), which is listed on the Stock Exchange. Ms Liu graduated from Nankai University in the PRC with a Master's degree in law and an Executive Master of business administration degree from Shanghai Jiao Tong University in the PRC. Ms Liu joined Guangzhou Yue Xiu in July 2002 and was a director of GZYCHL, Guangzhou Yuexiu Capital Holdings Company Limited (廣州越秀資本控股集團有限公司) (formerly known as Guangzhou Yuexiu Financial Holdings Co., Ltd.\* (廣州越秀金融控股集團有限公司)), Guangzhou Yuexiu Financial Leasing Co., Limited, Shanghai Yuexiu Finance Leasing Co., Limited, Yuexiu Dairy, Liaoning Huishan, Guangzhou Paper Group and the director of human resources and chief human resources officer of Guangzhou Yue Xiu and YXE. She has led the implementation of several major projects for Guangzhou Yue Xiu on operation management, lean management, establishment of systems and regimes, as well as changes in human resources. She has extensive work experience in operation management, organisational management and human resources management, etc. in large business enterprises.

## DIRECTORS' PROFILES

### NON-EXECUTIVE DIRECTORS

**Mr Zhang Yibing**, aged 58, was appointed as non-executive director of the Company in March 2022. Mr Zhang is currently the deputy general manager of Guangzhou Metro Group Co., Ltd.\* (廣州地鐵集團有限公司) ("Guangzhou Metro"). Mr Zhang holds a postgraduate qualification in Economics (Economic Management) of the Graduate School of the Party School of the Central Committee of the Communist Party of China. Mr Zhang has held various positions, including the deputy director of the Social Development Department of Guangzhou Municipal Development and Reform Commission, the director of the Personnel Department of Guangzhou Municipal Development and Reform Commission, the director of the Urban Development Department of Guangzhou Municipal Development and Reform Commission (also the director of the Municipal Metro Capital Office), the director of the Rail Transportation Department of Guangzhou Municipal Development and Reform Commission (also the director of the Municipal Metro Capital Office), the deputy general manager and director of Guangzhou Railways Investment Construction Group Co., Ltd.\* (廣州鐵路投資建設集團有限公司) and the general counsel of Guangzhou Metro. Mr Zhang has excellent communication, co-ordination and business development capabilities as well as expertise in administration and capital management. He also has extensive experience in business management. Mr Zhang is involved in the management of metro property business, with a focus on land resumption, project development and commercial property operation, and has strong overall co-ordination capability in real estate project development and management.

**Mr Su Junjie**, aged 56, was appointed as non-executive director of the Company in September 2024. Mr Su is currently the chairman of Guangzhou Asset Management Co., Ltd.\* (廣州資產管理有限公司) ("Guangzhou Asset Management"), an indirect subsidiary of Guangzhou Yue Xiu. In September 2025, Mr. Su was appointed as a non-executive director of Beijing Enterprises Holdings Limited (Stock Code: 392), which is listed on the Stock Exchange. Mr Su holds a Bachelor's degree in Economics majoring in Statistics and a Master's degree in Economics majoring in Finance from Dongbei University of Finance and Economics in China. Mr Su joined Agricultural Bank of China Limited, Dalian Zhongshan Sub-Branch from August 1992 to February 2000 and his last positions were deputy director of sub-office and deputy manager of the marketing department. He joined China Great Wall Asset Management Co., Ltd.\* (中國長城資產管理股份有限公司) (formerly known as China Great Wall Asset Management Corporation\* (中國長城資產管理公司)) from February 2000 to February 2023 and had held various positions, including deputy director of the New Finance Research and Development Centre, assistant to general manager of the Strategic Development Department, deputy general manager of the Investment and Investment Banking Department, general manager of the Mergers and Acquisitions and Business Restructuring Department, deputy general manager of the Sichuan Branch and general manager of the Shanghai Branch. He joined Guangzhou Asset Management in May 2023 and has been the general manager from July 2023 to May 2025 and the chairman since February 2025, in charge of its overall management.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr Yu Lup Fat Joseph**, aged 78, has been an independent non-executive director of the Company since 1992. Mr Yu holds a master's degree in applied finance from Macquarie University in Australia and a diploma of management studies from the University of Hong Kong. Mr Yu has over 40 years of experience in investment, banking and finance. From August 2015 to March 2026, he served as an independent non-executive director of YFHL and Chong Hing Bank.

**Mr Lee Ka Lun**, aged 71, has been an independent non-executive director of the Company since 2000. He is also an independent non-executive director of YFHL and Chong Hing Bank. He is an accountant by profession. Mr Lee is a Fellow of the Association of Chartered Certified Accountants in the United Kingdom and has over 20 years of experience in banking and auditing. He is an independent non-executive director of Chow Sang Sang Holdings International Limited (Stock Code: 116) and Ever Harvest Group Holdings Limited (Stock Code: 1549). The shares of the companies mentioned above are listed on the Stock Exchange. He served as an independent non-executive director of Best Mart 360 Holdings Limited (Stock Code: 2360) until 28 September 2023.

## DIRECTORS' PROFILES

**Mr Lau Hon Chuen, GBS, JP, alias Ambrose Lau**, aged 78, has been an independent non-executive director of the Company since 2004. He obtained a bachelor of laws degree from the University of London and is a Solicitor of the High Court of Hong Kong, a China-Appointed Attesting Officer and a Notary Public. Mr Lau is the Senior Partner of Messrs. Chu & Lau, Solicitors & Notaries. In 2001, Mr Lau was awarded "Gold Bauhinia Star" by Hong Kong Government. He served as a Standing Committee Member of the 10th, 11th and 12th National Committee of the Chinese People's Political Consultative Conference. Mr Lau is currently an independent non-executive director of Glorious Sun Enterprises Limited (Stock Code: 393) and Yuexiu Transport (Stock Code: 1052), which are listed on the Stock Exchange. Mr Lau is an independent non-executive director of Joy City Property Limited (which shares were delisted from the Stock Exchange on 27 November 2025).

**Mr Cheung Kin Sang**, aged 67, was appointed as an independent non-executive director of the Company in April 2023. He has over 40 years of corporate and commercial banking experience with diversified industry, product and institutional exposure. From July 2009 to December 2022, Mr Cheung worked with DBS Bank Ltd., Hong Kong Branch and DBS Bank (Hong Kong) Limited (collectively, "DBS") where he served as the managing director and the head of institutional banking group in Hong Kong from June 2011 until his retirement in December 2022. He was also the alternate chief executive of DBS Bank (Hong Kong) Limited from December 2012 to December 2022. He had worked in DBS for over 13 years, during which he was responsible for growing DBS's franchise in the corporate and commercial banking businesses in Hong Kong. Prior to joining DBS, he was the regional general manager of North East Asia and the general manager of Hong Kong Branch of OCBC Bank. Prior to such appointments, he held senior positions in corporate commercial banking and risk management with major international banks including Citibank, ABN-AMRO and Rabobank. Mr Cheung obtained a bachelor of social sciences degree from The University of Hong Kong in November 1981. Currently, Mr Cheung is the chairman of the Board of Governors of World Green Organisation, a member of The Hong Kong Academy of Finance, and a member of the Advisory Committee on Accounting and Finance of The Hong Kong Polytechnic University. He was a member of the Advisory Board and the Investment Committee to Hong Kong Export Credit Insurance Corporation from January 2011 to December 2016 and a member of Industry Training Advisory Committee of the Hong Kong Qualifications Framework for the banking industry until December 2023. Mr Cheung is an independent non-executive director of K. Wah International Holdings Limited (Stock Code: 173) and Dah Sing Banking Group Limited (Stock Code: 2356). The shares of the companies mentioned above are listed on the Stock Exchange. Mr Cheung is also an independent non-executive director of Dah Sing Bank, Limited, a subsidiary of Dah Sing Banking Group Limited.

The updates to the information of the Directors from the date of the 2025 interim report and up to the date of this annual report are disclosed in the section headed "Directors' Profiles" pursuant to Rule 13.51B(1) of the Listing Rules.

## CORPORATE GOVERNANCE REPORT

The Company recognises the importance of good corporate governance to the healthy growth of the Group and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the conduct and growth of its business.

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") as set out in the Corporate Governance Code ("CG Code") contained in Appendix C1 to The Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

Throughout the year ended 31 December 2025 (the "Reporting Year"), the Company has complied with the Code Provisions.

The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

The Board of the Company plays a crucial role in sustaining high standards of corporate governance, transparency and accountability of the Group's operations.

The key corporate governance principles and practices of the Company are summarised below:

### THE BOARD

#### Responsibilities

The overall management of the Group's business is vested in the Board, which assumes the responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs in the interests of the Group.

The Board has delegated the supervision of the day-to-day management of the Group's business to the executive directorate, and focuses its attention on matters affecting the Group's overall strategic policies and finances, including: the approval and monitoring of all policy matters, overall business strategies and budgets, corporate governance, internal control and risk management systems, financial statements, dividend policy, major financial arrangements and major investments, treasury policies, appointment of directors and senior management and other significant financial and operational matters.

The Board attaches great importance to sustainability management, undertakes overall responsibility for the sustainability affairs of the Company and oversees the sustainability direction and strategies of the Company. It regularly discusses and reviews the Company's sustainability risks and opportunities. To further promote the deep integration of the Company's strategy and sustainable development, to lead the Company to achieve long-term sound development and proactively promote the more comprehensive, broad and in-depth influence of the Company in sustainable development, the Environmental, Social and Governance Committee was renamed as the Sustainability Committee with effect from 17 April 2025. The Sustainability Committee is responsible for managing and supervising the sustainability impact of the Company, and reports the sustainability-related performance to the Board on a regular basis. It updates the Company's sustainability issues every year and conducts materiality assessment of the sustainability issues through stakeholders study, questionnaire survey, expert assessment, discussion within the Board, etc. The Board has established, reviewed and discussed the relevant targets for greenhouse gas emissions, waste disposal, energy use and water resource utilization, and will continue to evaluate and pay attention to their progress.

All directors have full and timely access to all relevant information as well as the advice and services of the company secretary or external legal advisors, where appropriate, with a view to ensuring compliance of all Board procedures, applicable rules and regulations.

Each director is able to seek independent professional advice in appropriate circumstances at the Company's expense, upon request to the Board.

## CORPORATE GOVERNANCE REPORT

### Composition

The composition of the Board ensures a balance of skills and experience and diversity of perspectives appropriate to the requirements of the business of the Group as well as sufficient time commitment and contribution to the Group, and to the exercise of independent judgment. The Board comprised six executive directors, two non-executive directors and four independent non-executive directors as at 31 December 2025.

For a list of directors during the year ended 31 December 2025 and up to the date of this annual report, please refer to page 68 of the Report of the Directors. The latest list of directors is also available on the Company's website ([www.yuexiuproperty.com](http://www.yuexiuproperty.com)) and the Stock Exchange's website.

Selection of Board members is 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. The ultimate decision is based on merit and contribution that the selected Board members could bring to the Board, with due regard to the benefits of diversity on the Board. The Board Diversity Policy sets out the approach to achieve diversity on the Board and is available on the website of the Company. The Board will review and monitor the implementation of the policy to ensure its effectiveness and application from time to time.

None of the Directors has any financial, business, family, other material or relevant relationships with each other.

During the Reporting Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. The number of independent non-executive directors on the Board meets one-third requirement under the Listing Rules throughout the Reporting Year.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considered all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors made valuable contributions to the effective direction of the Company.

## CORPORATE GOVERNANCE REPORT

The length of tenure and the current period of appointment of the Directors as at the date of this report are set out below:

|  | Length of Tenure<br>(Approximate no. of year(s)) | Current Period of Appointment<br>(Approximate no. of year(s))* |
|--|--|--|
| <i>Executive Directors</i>                 |  |  |
| Lin Zhaoyuan                               | <b>10.5</b>                                      | 1.8  |
| Zhu Huisong                                | <b>3.0</b>                                       | 2.9  |
| Jiang Guoxiong                             | <b>1.3</b>                                       | 0.9  |
| He Yuping                                  | <b>3.0</b>                                       | 2.9  |
| Chen Jing                                  | <b>8.8</b>                                       | 0.9  |
| Liu Yan                                    | <b>7.7</b>                                       | 0.9  |
| <i>Non-Executive Directors</i>             |  |  |
| Zhang Yibing                               | <b>4.1</b>                                       | 1.8  |
| Su Junjie                                  | <b>1.6</b>                                       | 0.9  |
| <i>Independent Non-executive Directors</i> |  |  |
| Yu Lup Fat Joseph                          | <b>33.6</b>                                      | 1.8  |
| Lee Ka Lun                                 | <b>26.1</b>                                      | 0.9  |
| Lau Hon Chuen Ambrose                      | <b>21.6</b>                                      | 1.8  |
| Cheung Kin Sang                            | <b>3.0</b>                                       | 0.9  |

\* The current period of appointment refers to the period of appointment since such Director's last re-election.

In accordance with the Company's Articles of Association, all directors of the Company, including independent non-executive directors, are subject to retirement by rotation at least once every three years. All the independent non-executive directors of the Company retired by rotation, offered themselves for re-election, and were re-elected during the past three years.

Shareholders may propose a candidate for election as director in accordance with the Articles of Association of the Company. The procedures for such proposal are available on the websites of the Company and the Stock Exchange.

### Training for Directors

On appointment to the Board, each director receives a comprehensive, formal and tailored induction covering business operations, policies and procedures of the Group as well as the general, statutory and regulatory obligations of being a director to ensure that he/she is fully sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

## CORPORATE GOVERNANCE REPORT

The directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, all directors and senior executives are encouraged to participate in continuous professional development relating to the Listing Rules, the Companies Ordinance and corporate governance practices to continuously update and further improve their relevant knowledge and skills. From time to time, directors are provided with training materials to develop and refresh their professional knowledge and skills.

During the Reporting Year, the Company arranged training programmes and provided training materials to the Directors with an emphasis on the ethical and governance roles of directors and senior management, directors' duties and updates to the Corporate Governance Code, ESG specialized training, the latest disclosure requirements of annual report and ESG reporting of listed companies and implementation of an Uncertificated Securities Market, lean management, marketing training for real estate industry, and a seminar on stablecoins and digital assets, etc. According to the records maintained by the Company, the Directors received trainings in the following areas:

|  | Continuous Professional Development |                              |
|--|-------------------------------------|------------------------------|
|  | Read Materials                      | Attended Seminars/ Briefings |
| <b>Directors</b>                           |                                     |                              |
| <i>Executive Directors</i>                 |                                     |                              |
| Lin Zhaoyuan                               | √                                   | √                            |
| Zhu Huisong                                | √                                   | √                            |
| Jiang Guoxiong                             | √                                   | √                            |
| He Yuping                                  | √                                   | √                            |
| Chen Jing                                  | √                                   | √                            |
| Liu Yan                                    | √                                   | √                            |
| <i>Non-executive Directors</i>             |                                     |                              |
| Zhang Yibing                               | √                                   | √                            |
| Su Junjie                                  | √                                   | √                            |
| <i>Independent Non-executive Directors</i> |                                     |                              |
| Yu Lup Fat Joseph                          | √                                   | √                            |
| Lee Ka Lun                                 | √                                   | √                            |
| Lau Hon Chuen Ambrose                      | √                                   | √                            |
| Cheung Kin Sang                            | √                                   | √                            |

## CORPORATE GOVERNANCE REPORT

**Board Meetings*****Number of Meetings and Directors' Attendance***

In the Reporting Year, the Board held 4 meetings. The attendance record of each member of the Board is set out below:

| Directors                                  | Attendance/<br>Number of Meetings |                           |                    |
|--|-----------------------------------|---------------------------|--------------------|
|  | Board<br>Meetings                 | Annual General<br>Meeting | General<br>Meeting |
| <i>Executive Directors</i>                 |                                   |                           |                    |
| Lin Zhaoyuan                               | 4/4                               | 1/1                       | 1/1                |
| Zhu Huisong                                | 3/4                               | 1/1                       | 1/1                |
| Jiang Guoxiong                             | 4/4                               | 1/1                       | 1/1                |
| He Yuping                                  | 4/4                               | 1/1                       | 1/1                |
| Chen Jing                                  | 4/4                               | 1/1                       | 1/1                |
| Liu Yan                                    | 4/4                               | 1/1                       | 1/1                |
| <i>Non-executive Directors</i>             |                                   |                           |                    |
| Zhang Yibing                               | 4/4                               | 1/1                       | 1/1                |
| Su Junjie                                  | 4/4                               | 1/1                       | 1/1                |
| <i>Independent Non-executive Directors</i> |                                   |                           |                    |
| Yu Lup Fat Joseph                          | 4/4                               | 1/1                       | 1/1                |
| Lee Ka Lun                                 | 4/4                               | 1/1                       | 0/1                |
| Lau Hon Chuen Ambrose                      | 4/4                               | 1/1                       | 1/1                |
| Cheung Kin Sang                            | 4/4                               | 1/1                       | 1/1                |

***Practices and Conduct of Meetings***

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and Board committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least three days before each Board meeting or Board committee meeting to keep the directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management as and when they think appropriate.

Minutes of all Board meetings and Board committee meetings are kept by the Company Secretary. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to the current Board practice, any material transaction will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their connected entities or associates have a material interest.

## CORPORATE GOVERNANCE REPORT

Pursuant to Article 143 of the Company's Articles of Association, the Directors or other officers of the Company shall be indemnified against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution and discharge of his duties or in relation thereto, including any liability incurred by him. The Company has arranged directors and officer liability insurances for its directors and officers. The relevant provisions of the Articles of Association of the Company and the directors' and officers' liability insurance are currently in force and were in force throughout the Reporting Year.

### CHAIRMAN AND CHIEF EXECUTIVE

During the Reporting Year, the role of the chairman (held by Mr Lin Zhaoyuan) is separate from that of the chief executives of the Company (held by Mr Zhu Huisong in his position as General Manager of the Company and Mr Jiang Guoxiong in his position as Co-general Manager of the Company) to reinforce accountability and responsibility.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practices. With the support of the chief executives, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

The General Manager focuses on implementing objectives, policies and strategies approved and delegated by the Board. The Co-General Manager is responsible for overseeing the overall management, formulation and implementation of business strategies of the Group. The business strategies and objectives are implemented by various departments and teams within the Group under the leadership of the chief executives of the Company.

### BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee (formerly known as the Environmental, Social and Governance Committee) for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The full terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the Company's website ([www.yuexiuproperty.com](http://www.yuexiuproperty.com)) and the Stock Exchange's website.

#### Audit Committee

As at 31 December 2025, the Audit Committee comprises four independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise) and Mr Yu Lup Fat Joseph is the chairman of the committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee include the following:

- (a) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditor.
- (b) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditor before submission to the Board.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems, the internal audit function and associated procedures.

## CORPORATE GOVERNANCE REPORT

The Audit Committee held two meetings during the Reporting Year to review the financial results and reports, financial reporting and compliance procedures, internal control system and risk management system and internal audit function and the re-appointment of the external auditors. The composition of the Audit Committee and attendance record of each Audit Committee member are set out below:

| Members                                    | Meetings<br>Attended |
|--|----------------------|
| <i>Independent Non-executive Directors</i> |                      |
| Yu Lup Fat Joseph                          | 2/2                  |
| Lee Ka Lun                                 | 2/2                  |
| Lau Hon Chuen Ambrose                      | 2/2                  |
| Cheung Kin Sang                            | 2/2                  |

### Remuneration Committee

During the Reporting Year, the Remuneration Committee comprises four independent non-executive directors, namely Mr Yu Lup Fat Joseph, Mr Lee Ka Lun, Mr Lau Hon Chuen Ambrose and Mr Cheung Kin Sang, and one executive director, namely Mr Lin Zhaoyuan. The chairman of the committee is Mr Yu Lup Fat Joseph.

The primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure, and recommendations on the remuneration packages of the executive directors and the senior management, including benefits in kind, pension rights and compensation payments such as compensation payable for loss or termination of their office or appointment. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Group as well as market practice and conditions. The Remuneration Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The composition of the Remuneration Committee and attendance record of each Remuneration Committee member are set out below:

| Members                                    | Meeting<br>Attended |
|--|---------------------|
| <i>Independent Non-executive Directors</i> |                     |
| Yu Lup Fat Joseph                          | 1/1                 |
| Lee Ka Lun                                 | 1/1                 |
| Lau Hon Chuen Ambrose                      | 1/1                 |
| Cheung Kin Sang                            | 1/1                 |
| <i>Executive Director</i>                  |                     |
| Lin Zhaoyuan                               | 1/1                 |

One meeting was held during the Reporting Year to review and make recommendations on the remuneration policy and structure of the Company and remuneration packages of the directors and senior management for the year under review. During the Reporting Year, the Remuneration Committee has also resolved to recommend to the Board on the grant of awards to selected participants under the Share Incentive Scheme and the Share Award Scheme.

## CORPORATE GOVERNANCE REPORT

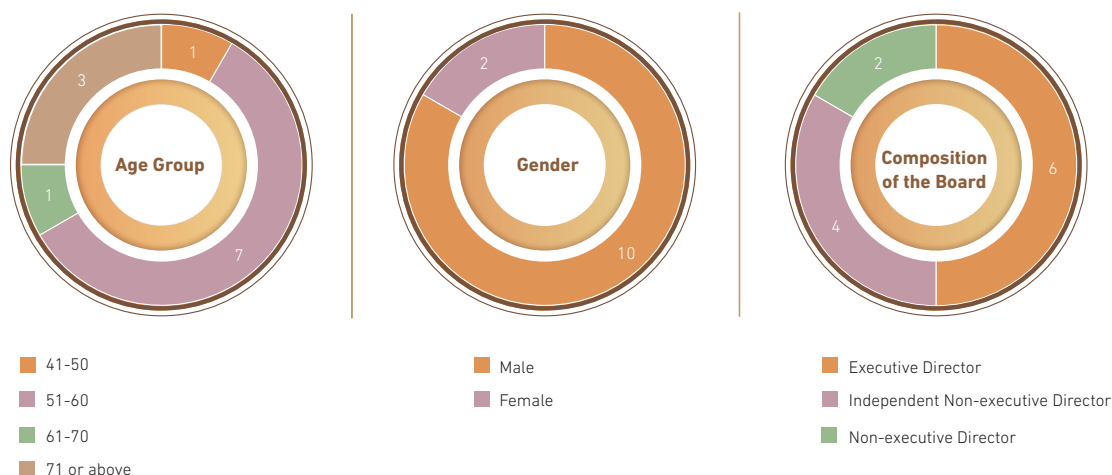
### Nomination Committee

The Board established the Nomination Committee on 1 March 2012. During the Reporting Year, the Nomination Committee comprises two executive directors, namely Mr Lin Zhaoyuan and Mr He Yuping and four independent non-executive directors, namely Mr Yu Lup Fat Joseph, Mr Lee Ka Lun, Mr Lau Hon Chuen Ambrose and Mr Cheung Kin Sang. The committee is chaired by Mr Lin Zhaoyuan, the Chairman of the Board. With effect from 25 March 2026, in order to enhance the diversity of the Nomination Committee and good corporate governance practices of the Company as a whole, Ms Chen Jing, an executive Director, has been appointed as a member of the Nomination Committee.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board, assisting the board in maintaining a Board skills matrix, assessing the independence of the independent non-executive directors and making recommendations to the Board on the selection of individuals nominated for directorship, the appointment or re-appointment of directors and succession planning for directors and supporting to Company's regular evaluation of the Board's performance. In assessing the Board composition and the candidate proposed to the Nomination Committee for consideration, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Board members' appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. As at 31 December 2025, the Board comprised diversified members, including 12 directors, two of whom are females. Six executive directors are experienced in finance, accounting, capital operations, real estate development, human resource management and operation management, two non-executive directors and the other four directors, being the independent non-executive directors, contribute extensive experiences in legal and compliance, acquisition and mergers, capital operations as well as financial businesses to the Board. In order to ensure that the Board possesses experiences and skills relevant to its strategy and the ability and mindset to manage changes from time to time in new generation, the Nomination Committee formulates the following measurable objectives: gender, age, length of tenure, professional experience, skills and knowledge (e.g. legal, accounting, finance, real estate development and capital management, etc.), reviews the diversity of the Board and makes proposal to the Board if necessary. The Board will continue to embrace gender diversity when making future board appointments but no specific targets or timelines have been set to further enhance gender diversity as the Board is of the view that all aspects of diversity should be considered as a whole in the selection of candidates for directorship.

The same approach to gender diversity at the Board level also applies to the workforce of the Group. As at 31 December 2025, the male to female ratio in the workforce of the Group (including senior management) was approximately 8,400:5,600. The Group recognises the value of gender diversity to promote a diverse and inclusive working environment and welcomes increased female representation at all levels. However, the Group currently does not consider it appropriate to set any specific gender target for its workforce. The Group takes into account other relevant factors in its hiring decisions, and given its current gender ratio in the workforce, the Board considers that the gender diversity in workforce is currently achieved.

## CORPORATE GOVERNANCE REPORT



### Procedures of Appointment of Directors

In accordance with the strategic needs of the Board, suitable candidates are identified for consideration by the Nomination Committee. The Nomination Committee will consider such candidates based on various factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service set out in the Board Diversity Policy. Recommendation will be made to the Board based on meritocracy and objective criteria, having due regard to the benefits of diversity on the Board. The Board will ultimately decide on the merits of the candidate and their potential contributions to the Board. New directors so appointed shall be re-elected at the Company's general meeting as required by the Articles of Association.

The composition of the Nomination Committee and the attendance record of each Nomination Committee member are set out below:

| Members                                    | Meetings Attended |
|--|-------------------|
| <i>Executive Directors</i>                 |                   |
| Lin Zhaoyuan                               | 1/1               |
| He Yuping                                  | 1/1               |
| Chen Jing (appointed on 25 March 2026)     | -                 |
| <i>Independent Non-executive Directors</i> |                   |
| Yu Lup Fat Joseph                          | 1/1               |
| Lee Ka Lun                                 | 1/1               |
| Lau Hon Chuen Ambrose                      | 1/1               |
| Cheung Kin Sang                            | 1/1               |

The Nomination Committee held one meeting during the Reporting Year to review the structure, size and composition of the Board, having taken into account the respective appointments of a new Executive Director and a Non-executive Director for the year under review, and assess the independence of all Independent Non-executive Directors.

## CORPORATE GOVERNANCE REPORT

### Sustainability Committee

The Sustainability Committee (formerly known as the Environmental, Social and Governance Committee) was established on 10 March 2022. During the Reporting Year, the Sustainability Committee comprises the following executive directors, namely Mr Lin Zhaoyuan, Mr Zhu Huisong and Mr Jiang Guoxiong and four independent non-executive directors, namely Mr Yu Lup Fat Joseph, Mr Lee Ka Lun, Mr Lau Hon Chuen Ambrose and Mr Cheung Kin Sang. The committee is chaired by Mr Lin Zhaoyuan, the Chairman of the Board.

The main duties of the Sustainability Committee include the following:

- (a) to review, formulate and approve the Group's vision, goals, strategies and management policies regarding sustainability issues, and make recommendations to the Board on the relevant sustainability matters;
- (b) to review and evaluate the adequacy and effectiveness of the management framework for sustainability matters at the Group level;
- (c) to review and monitor the Group's policies on sustainable development to ensure compliance with legal and regulatory requirements; and
- (d) to review and report to the Board on major international trends in legislation, regulations of corporate sustainable development, identify and assess the sustainability related risks and opportunities that have an impact on the Group's operation.

The Sustainability Committee shall report to the Board on their decisions or recommendations not less than once a year.

The composition of the Sustainability Committee and attendance record of each Sustainability Committee member are set out below:

| <b>Members</b>                             | <b>Meetings<br/>Attended</b> |
|--|------------------------------|
| <i>Executive Directors</i>                 |                              |
| Lin Zhaoyuan                               | <b>2/2</b>                   |
| Zhu Huisong                                | <b>2/2</b>                   |
| Jiang Guoxiong                             | <b>2/2</b>                   |
| <i>Independent Non-executive Directors</i> |                              |
| Yu Lup Fat Joseph                          | <b>2/2</b>                   |
| Lee Ka Lun                                 | <b>2/2</b>                   |
| Lau Hon Chuen Ambrose                      | <b>2/2</b>                   |
| Cheung Kin Sang                            | <b>2/2</b>                   |

The Sustainability Committee held two meetings during the Reporting Year to review the progress of the sustainability issues and review the relevant sustainability report before submitting to the Board with recommendation for approval.

## CORPORATE GOVERNANCE REPORT

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Listing Rules.

Specific enquiries have been made to all the directors concerning their compliance with the Model Code and all the directors have confirmed that they have complied with the Model Code throughout the Reporting Year.

Specific employees who are likely to be in possession of inside information of the Group have been requested to comply with the provisions of the Model Code. No incident of non-compliance was noted by the Company.

### COMPANY SECRETARY

Mr Yu Tat Fung has been the company secretary of the Company since 2004. He is the Group General Counsel of YXE, and also the company secretary of YXE, Yuexiu Transport Infrastructure Limited (Stock Code: 1052), Yuexiu Services Group Limited (Stock Code: 6626) and Yuexiu REIT Asset Management Limited, the manager of Yuexiu Real Estate Investment Trust (Stock Code: 405). Mr Yu obtained a bachelor's degree in Social Sciences from the University of Hong Kong in 1981. He attained the Solicitors Final Examination in England in 1983. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1986. He was also admitted to the Bar of the Province of British Columbia in Canada in 1995. Prior to joining the Company in 1997, he was engaged in private practice with an emphasis on corporate and commercial law. Mr Yu is responsible for advising the Board on governance matters. During the Reporting Year, Mr Yu has taken no less than 15 hours of relevant professional training.

### ACCOUNTABILITY AND AUDIT

#### Responsibilities in respect of the financial statements and auditor's remuneration

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibilities for preparing the financial statements of the Company for the Reporting Year.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the external auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Company is set out in the "Independent Auditor's Report".

The remuneration paid or payable to Ernst & Young, the external auditor of the Company, in respect of audit services and non-audit services for the Reporting Year amounted to approximately RMB4,640,000 and RMB4,199,000 respectively. The non-audit services conducted mainly include bond offering services and tax services.

## CORPORATE GOVERNANCE REPORT

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for maintaining an adequate risk management and internal control system to safeguard shareholders' interests and the Group's assets and for reviewing, through its Audit Committee, the effectiveness of the system. The Board considers that the Company's risk management and internal control systems are adequate and effective for achieving the objectives set out in Principle D.2 of the CG Code (including dealing with identified risks, safeguarding the issuer's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the issuer's financial reports and achieving compliance with applicable laws and regulations). The risk management and internal control system of the Group, which covers all material controls, including financial, operational and compliance controls, is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group against material errors, losses or fraud. However, any risk management and internal control system is designed to manage rather than eliminate the risk of failure to achieve business objects; and can provide only reasonable but not absolute assurance of full protection against material errors, losses, fraud or failure to meet its business objectives. Our risk management processes, risk management structure, risk assessment results and detailed discussions are set out in the "Report of Risk Management" of this annual report. During the reporting period, there was no material change to the Company's risk management and internal control systems.

In meeting its responsibilities, the Board seeks to increase risk awareness of its business operations and puts in place policies and procedures, including the parameters of delegated authority, to provide for the identification and management of business risks. The Board assumes overall responsibility in monitoring the operation of the businesses within the Group. Executive directors are appointed to the Boards of all significant material operating subsidiaries to attend their board meetings and to oversee the operations of those companies. Monitoring activities include the review and approval of business strategies, budgets and plans, and the setting of key business performance targets. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies and similarly the management of each business is accountable for its conduct and performance.

Business plans and budgets are prepared annually by the management of individual businesses which are subject to review and approval by both the executive management teams and the executive directors as part of the Group's corporate planning. The executive directors hold monthly meetings to review management reports on the business results and key operating statuses of each core business.

The Group has established guidelines and procedures for the approval and control of expenditure. Operating expenditure is subject to overall budget control and is controlled within each business with the approval levels for such expenditure being set by reference to the level of responsibilities of each executive and officer.

For the Reporting Year, the Board has conducted review of the effectiveness of the risk management and internal control system of the Company on a half-yearly basis. The Board believes that the risk management and internal control system is adequate and effective and does not note any material deviation.

## CORPORATE GOVERNANCE REPORT

### Internal audit

The Group has established an internal audit department. The Group's audit and risk management department plays an important role in reviewing and monitoring the overall internal compliance and governance systems of the Group. The department directly reports to the Audit Committee and performs specific internal audit projects. The department has unrestricted access to review all the Group's business activities, departments and subsidiaries and identify the areas of concern. During the Reporting Year, the department completed 91 internal audit projects, covering areas such as performance audit, economic responsibility audit, and special audit.

### Effectiveness of risk management and internal control

The internal auditor reviews and evaluates the control procedures and monitors any risk factors on a regular basis and reports to the Audit Committee and the Board on any findings and measures to address the variances and identified risks.

The Board conducts an annual review based on the findings and opinions of the Group's audit and risk management department in respect of the Group's risk management and internal control systems. The review covers management's assessment of changes in significant risks to key business operations, internal control and compliance (both financial and non-financial), as well as the evaluation of significant matters arising from internal and external audit reports, so as to fulfil the general requirements under the CG Code relating to risk management and internal control process.

### Handling and dissemination of inside information

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, sending blackout period and securities dealing restrictions notification to the directors and relevant employees regularly, disseminating information to specified persons on a need-to-know basis with regard closely to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission.

### Whistleblowing mechanism

To protect whistleblowers, the Company has issued the Whistleblowing Policy, which aims to serve as a crucial internal management tool, fully protecting whistleblowers and encouraging them to report misconduct within the Company. We have also implemented the Management Measures of Compliant Letters and Visits and the Guidelines for the Confidentiality of Information Reported in Letters and Visits to ensure that whistleblowers can report improper behaviour safely and anonymously through designated email and telephone. The Company protects the information of both named and anonymous whistleblowers, strictly controlling the dissemination of whistleblowing information and maintaining the confidentiality of all materials during the investigation process. Additionally, the Company requires that the investigated units and the individuals involved must not retaliate against whistleblowers; any such actions, if discovered, will be addressed firmly.

### Business ethics and anti-corruption

The Company always adheres to the highest standards of national laws, regulations, and business ethics. The Company implements strict controls over the risks of fraud, bribery, and corruption to ensure that all operational activities are conducted legally and in compliance with regulations. This approach supports the Company's long-term stable development and maintains its good reputation. The Company strictly complies with laws and regulations such as the Anti-Money Laundering Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. It has established internal policies and procedures, including the Anti-Corruption and Anti-Bribery Policy, Fund Management Measures, Detailed Rules of Three Official Expenditures, and the Clean Employment Regulations, to prevent money laundering, corruption, and unfair competition.

## CORPORATE GOVERNANCE REPORT

### COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make informed investment decisions.

The general meetings of the Company provide a forum for communication between the shareholders and the Board. The Chairman of the Board as well as chairman of the board committees are available to answer questions at the general meetings. Separate resolutions are proposed at general meetings on each substantial issue.

During the Reporting Year, the external auditor of the Company attended the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner. For further details of the Company's communications with investors, please refer to the Investor Relations Report.

To promote effective communication, the Company also maintains a website at [www.yuexiuproperty.com](http://www.yuexiuproperty.com), where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

Resolutions put to vote at the general meetings of the Company (other than on procedural and administrative matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the websites of the Company and the Stock Exchange respectively on the same day as the poll.

Shareholders are encouraged to attend all general meetings of the Company. Pursuant to Sections 566 to 568 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), shareholder(s) of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company, may request the directors to call a general meeting of the Company. The requisition must state the general nature of the business to be dealt with at the meeting; and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The requisition may consist of several documents in like form. The requisition may be sent to the Company in hard copy form or in electronic form; and must be authenticated by the person or persons making it. If the directors of the Company do not within 21 days after the date on which they become subject to the requirement call a general meeting for a date not more than 28 days after the date of notice convening the meeting, the shareholder(s) concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves call a general meeting, and the meeting must be called for a date not more than 3 months after the date on which the directors become subject to the requirement to call a meeting. Pursuant to Sections 615 and 616 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), shareholder(s) representing at least 2.5% of the total voting rights of all shareholders having a right to vote on the resolution at an annual general meeting to which the request relates, or at least 50 shareholders having a right to vote on the resolution at an annual general meeting to which the request relates, may submit a written request to put forward a resolution which may properly be moved at an annual general meeting.

Having considered the Company's communications with shareholders during the Reporting Year, the Board was satisfied with the implementation and effectiveness of the Shareholders' communication policy as disclosed in this section and under the section headed "Procedures for raising enquiries" below.

## CORPORATE GOVERNANCE REPORT

### PROCEDURES FOR RAISING ENQUIRIES

To ensure effective communication between the Company and the Shareholders:

- (1) Shareholders may direct their questions about their shareholdings to the Company's share registrar in Hong Kong.
- (2) Shareholders may at any time send their enquires and concerns to the Board in writing to the Financial Management Centre of the Company whose contact details are as follows:

Financial Management Centre  
Yuexiu Property Company Limited  
26th Floor  
Yue Xiu Building  
160 Lockhart Road  
Wanchai, Hong Kong

- (3) Shareholders may also make enquiries with the Board at the general meetings of the Company.

### DIVIDEND POLICY

The Company is committed to maintaining a relatively stable and sustainable dividend policy. The dividend policy is based on the principle of balancing shareholders' expectations and maintaining the Company's sustainable development, with consideration of various factors, such as current business position, future operations and income, and financial position of the Company, current and future macro-economic environment and development, capital needs and capital reserves, future major investment or acquisition plans, external financing environment, adjustment to relevant tax rates, adjustments to industry policies, all relevant legal and regulatory restrictions, continuity of past dividend policies and other factors as considered relevant by the Board. Generally speaking, the total dividend of the Company for a year represents 30% to 40% of the core net profit attributable to equity holders. Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recognised in the consolidated statement of profit or loss and net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year) and the related tax effect and impairment of intangible assets. The Board will review and monitor the implementation of said policy from time to time to ensure its effectiveness and application.

### CONSTITUTIONAL DOCUMENTS

The Company's amended and restated Articles of Association is available on the websites of the Company and the Stock Exchange. During the Reporting Year, there is no change in the Company's constitutional documents.

## REPORT OF THE DIRECTORS

The Directors are pleased to submit their report together with the audited consolidated financial statements for the year ended 31 December 2025 (the "Reporting Year").

### PRINCIPAL ACTIVITIES

The principal activities of the Group consist of development, selling and management of properties and holding of investment properties. The principal activities of its principal subsidiaries, joint ventures, associated entities are set out in the section headed "Group Structure" on pages 224 to 236.

An analysis of the Group's performance for the Reporting Year by business and geographical segments is set out in Note 4 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Year are set out in the consolidated statement of profit or loss on page 106.

The Board has declared an interim dividend and resolved not to declare final dividend in respect of the year ended 31 December 2025. They are summarised as follows:

|   | RMB'000        |
|---|----------------|
| Interim dividend of HKD0.166 equivalent to RMB0.151 per ordinary share paid on 20 November 2025 | 607,834        |
| Proposed final dividend of Nil per ordinary share   | —              |
|   | <u>607,834</u> |

### DONATIONS

Public welfare donations of RMB139,556,000 were recorded in the Company's consolidated statement of profit or loss for the year ended 31 December 2025.

## REPORT OF THE DIRECTORS

### BUSINESS REVIEW

The business review of the Group including the important events affecting the Group that have occurred since the end of 2025 and the possible future developments in the Group's business, is set out in the "Chairman's Statement", and "Management Discussion and Analysis" sections of this Annual Report. Principal risks and uncertainties facing the Group are set out in the Report of Risk Management. Details about the Group's financial risk management are set out in note 46 to the Consolidated Financial Statements.

In addition, discussions on the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Chairman's Statement, Management Discussion and Analysis, the Corporate Governance Report, this Report of the Directors and Investor Relations Report. The Sustainability Report to be issued by the Company will also contain the Group's environmental policies and performance.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the Hong Kong Companies Ordinance.

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

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Year.

### INTEREST CAPITALISED

During the Reporting Year, interest capitalised as development cost in respect of investment properties, properties under development and property, plant and equipment amounted to approximately RMB2,888 million (2024: RMB3,961 million).

### DISTRIBUTABLE RESERVES

As at 31 December 2025, the distributable reserves, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap.622), of the Company available for distribution amounted to RMB2,161 million (2024: RMB1,662 million).

## REPORT OF THE DIRECTORS

### DIRECTORS

The Directors during the Reporting Year and up to the date of this report were:

Mr Lin Zhaoyuan  
Mr Zhu Huisong  
Mr Jiang Guoxiong  
Mr He Yuping  
Ms Chen Jing  
Ms Liu Yan  
Mr Zhang Yibing<sup>1</sup>  
Mr Su Junjie<sup>1</sup>  
Mr Yu Lup Fat Joseph<sup>2</sup>  
Mr Lee Ka Lun<sup>2</sup>  
Mr Lau Hon Chuen Ambrose<sup>2</sup>  
Mr Cheung Kin Sang<sup>2</sup>

<sup>1</sup> *Non-executive Director*

<sup>2</sup> *Independent non-executive Directors*

The Directors' Profiles are set out on pages 46 to 50.

### ROTATION AND RE-ELECTION OF DIRECTORS

Mr Zhu Huisong, Mr He Yuping, Mr Yu Lup Fat Joseph and Mr Lau Hon Chuen Ambrose will retire by rotation in accordance with Article 91 of the Company's Articles of Association at the forthcoming annual general meeting and, being eligible, all offer themselves for re-election.

The Board recommends the re-appointment of all directors standing for re-election at the forthcoming annual general meeting of the Company.

### DIRECTOR'S SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

### DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The names of all the Directors who have served on the boards of the Company's subsidiaries during the Reporting Year and up to the date of this report are available on the Company's website ([www.yuexiuproperty.com](http://www.yuexiuproperty.com)).

## REPORT OF THE DIRECTORS

### **DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS**

Details of Directors' and senior management's emoluments and emoluments of five highest paid individuals of the Company are set out in notes 10 and 11 to the consolidated financial statements, respectively.

Directors and senior management of the Company may receive emoluments in the form of fees, salaries, contributions to pension schemes, other allowances, other benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and performance of the Directors and senior management, as well as the performance of the Group. No Director is involved in deciding his or her own remuneration.

### **DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, the Company's subsidiaries, its holding companies or its fellow subsidiaries was a party and in which any Director or an entity connected with the Director had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Year or at any time during the Reporting Year.

### **CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER**

Save as disclosed in the paragraph headed "Continuing Connected Transactions and Connected Transactions" as set out in this report and other related party transactions and balances disclosed in notes 43 (b) and (c) to the consolidated financial statements, there were no other contracts of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries, or any contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisting at the end of the Reporting Year or at any time during the Reporting Year.

### **PERMITTED INDEMNITY PROVISION**

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution and discharge of the duties of his/her office or otherwise in relation thereto. The Company have arranged and maintained directors' liability insurance throughout the Reporting Year, which provides appropriate cover for the Directors.

## REPORT OF THE DIRECTORS

## CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

## Continuing Connected Transactions:

During the Reporting Year, the following continuing connected transactions were entered into on normal and commercial terms:

| Date                   | Connected Party                             | Relationship with the Company | Nature of Transaction   | Aggregate transaction value for the Reporting Year   |
|------------------------|---|-------------------------------|---|--|
| (1)<br>3 November 2022 | Chong Hing Bank Limited ("Chong Hing Bank") | A fellow subsidiary           | The Company entered into a bank deposits master agreement with Chong Hing Bank on 3 November 2022 ("2023 Bank Deposits Agreement"), pursuant to which the aggregate maximum balance of the bank deposits maintained by the Group with Chong Hing Bank and its subsidiaries (the "CHB Group") on any given day would not exceed RMB13,000 million, RMB14,500 million and RMB16,000 million for the years ended 31 December 2023, 2024 and 2025 respectively.   | The aggregate balance of bank deposits amounted to RMB5,547,726,071 as at 31 December 2025<br><br>The highest daily aggregate amount of bank deposits during the year ended 31 December 2025 amounted to RMB10,778,037,032 |
| 14 November 2025       | Chong Hing Bank                             | A fellow subsidiary           | The Company entered into another uniform transaction agreement with Chong Hing Bank on 14 November 2025 ("2026 Bank Deposits And Ancillary Services Agreement") for a term of three years for the purpose of, among others, renewing the term of the 2023 Bank Deposits Agreement and amending the scope of the existing continuing connected transactions in relation to the bank deposits with the CHB Group to also cover the provision of the ancillary services by the CHB Group to the Group, pursuant to which the aggregate maximum balance of the bank deposits maintained by the Group with the CHB Group on any given day would not exceed RMB16,000 million, RMB16,000 million and RMB16,000 million for the years ending 31 December 2026, 2027 and 2028 respectively. |  |

## REPORT OF THE DIRECTORS

(2)

| Date             | Connected Party | Relationship with the Company | Nature of Transaction  | Aggregate transaction value for the Reporting Year  |
|------------------|-----------------|-------------------------------|--|---|
| 30 December 2024 | Chong Hing Bank | A fellow subsidiary           | The Company entered into a foreign exchange framework agreement with Chong Hing Bank on 30 December 2024 to renew the spot contracts and forward contracts during the term of 3 years commencing from 1 January 2022, pursuant to which the Group would enter into FX Transactions (namely, spot contracts and forward contracts) with the CHB Group during the term of 3 years commencing from 1 January 2025. With respect to the spot contracts for the year ended 31 December 2025 and the years ending 31 December 2026 and 2027, the aggregate amount of the spread of those spot contracts are subject to the annual caps of HKD5,000,000, HKD5,300,000 and HKD5,700,000 respectively. With respect to the forward contracts for the year ended 31 December 2025 and the years ending 31 December 2026 and 2027, the aggregate amount of hedging cost of those forward contracts are subject to the annual caps of HKD57,500,000, HKD164,000,000 and HKD172,500,000 respectively. | Total Spread of Spot Contracts: HKD181,483<br><br>Total Hedging Cost of Forward Contracts: HKD3,726,027 |

## REPORT OF THE DIRECTORS

(3)

| Date             | Connected Party   | Relationship with the Company              | Nature of Transaction  | Aggregate transaction value for the Reporting Year |
|------------------|---|--|--|--|
| 22 November 2022 | 廣州地鐵集團有限公司<br>(Guangzhou Metro Group Co., Ltd.)*<br>("Guangzhou Metro") | The substantial shareholder of the Company | <p>On 22 November 2022, Yuexiu Services Group Limited ("Yuexiu Services", together with its subsidiaries, the "Yuexiu Services Group") (an indirect non wholly-owned subsidiary of the Company) entered into the 2023 GZ Metro Property Management and Related Services Framework Agreement with Guangzhou Metro ("2023 GZ Metro Property Management and Related Services Framework Agreement"), pursuant to which the Yuexiu Services Group may provide, and Guangzhou Metro and its associates may procure, the GZ Metro Property Management and Related Services for a term of three years commencing from 1 January 2023.</p> <p>The annual caps for the 2023 GZ Metro Property Management and Related Services Framework Agreement for the years ended 31 December 2023, 2024 and 2025 are RMB335,219,000, RMB420,547,000 and RMB504,657,000 respectively.</p>                        | RMB285,940,000                                     |
| 31 December 2025 | Guangzhou Metro   | The substantial shareholder of the Company | <p>On 31 December 2025, Yuexiu Services entered into the 2026 GZ Metro Property Management and Value Added Services Framework Agreement with Guangzhou Metro ("2026 GZ Metro Property Management and Value Added Services Framework Agreement"), pursuant to which the Yuexiu Services Group may provide, and Guangzhou Metro and its associates (excluding the companies jointly held by Guangzhou Metro and the Company, and any associate of the Company (which are also subsidiaries of Guangzhou Metro)) may procure, the GZ Metro Property Management and Value-Added Services for a term of three years commencing from 1 January 2026.</p> <p>The annual caps for the 2026 GZ Metro Property Management and Value Added Services Framework Agreement for the years ending 31 December 2026, 2027 and 2028 are RMB429,709,000, RMB518,075,000 and RMB 625,047,000 respectively.</p> |  |

## REPORT OF THE DIRECTORS

(4)

| Date             | Connected Party  | Relationship with the Company   | Nature of Transaction   | Aggregate transaction value for the Reporting Year   |
|------------------|--|---|---|--|
| 21 November 2024 | (i) 廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited) ("Guangzhou Yue Xiu") and (ii) companies jointly held by Guangzhou Metro and the Company ("Guangzhou Metro and the Company JVs") | (i) The ultimate holding company of the Company and (ii) connected subsidiaries of the Company and associates of the substantial shareholder of the Company | <p>On 21 November 2024, Yuexiu Services entered into the 2025 Property Management and Value-Added Services Framework Agreement with Guangzhou Yue Xiu and the Company ("2025 Property Management and Value-Added Services Framework Agreement"), pursuant to which the Yuexiu Services Group may provide, and Guangzhou Yue Xiu, the Company and their respective associates (including Guangzhou Metro and the Company JVs) may procure, the Property Management and Value-Added Services for a term commencing on 1 January 2025 and ending on 31 December 2027.</p> <p>The annual caps for the service fees payable to the Yuexiu Services Group by Guangzhou Yue Xiu and its associates for the year ended 31 December 2025 and the years ending 31 December 2026 and 2027 for the Property Management Services are RMB53,597,000, RMB65,602,000 and RMB80,298,000 respectively; for the Commercial Operation and Management Services are RMB18,553,000, RMB19,007,000 and RMB20,238,000 respectively; for the Value-added Services are RMB34,055,000, RMB40,039,000 and RMB47,148,000, respectively; for the Market Positioning Consultancy and Tenant Sourcing Services are RMB19,898,000, RMB25,323,000 and RMB30,720,000, respectively.</p> | <p>Guangzhou Yue Xiu and its associates: Property Management Services: RMB26,624,000</p> <p>Commercial Operation and Management Services: RMB9,687,000</p> <p>Value-added Services: RMB32,178,000</p> <p>Market Positioning Consultancy and Tenant Sourcing Services: RMB2,728,000</p> |

## REPORT OF THE DIRECTORS

| Date | Connected Party | Relationship with the Company | Nature of Transaction   | Aggregate transaction value for the Reporting Year  |
|------|-----------------|-------------------------------|---|---|
|      |                 |                               | <p>The annual caps for the service fees payable to the Yuexiu Services Group by Guangzhou Metro and the Company JVs and the Company's associates (which are also subsidiaries of Guangzhou Metro) for the year ended 31 December 2025 and the years ending 31 December 2026 and 2027 for the Property Management Services are RMB555,000, RMB740,000 and RMB987,000 respectively; for the Commercial Operation and Management Services are RMB3,943,000, RMB4,324,000 and RMB4,742,000 respectively; for the Value-added Services are RMB197,112,000, RMB230,853,000 and RMB273,154,000 respectively.</p> | <p>Guangzhou Metro and the Company JVs and the Company's associates (which are also subsidiaries of Guangzhou Metro):<br/> Property Management Services: RMB536,000<br/> Commercial Operation and Management Services: Nil<br/> Value-added Services: RMB62,551,000</p> |

## REPORT OF THE DIRECTORS

(5)

| Date          | Connected Party   | Relationship with the Company               | Nature of Transaction  | Aggregate transaction value for the Reporting Year |
|---------------|-------------------|---|--|--|
| 14 March 2025 | Guangzhou Yue Xiu | The ultimate holding company of the Company | <p>On 14 March 2025, the Company and Guangzhou Yue Xiu entered into a construction services framework agreement ("2025 Construction Services Framework Agreement") to renew the construction services framework agreement dated 9 December 2022, pursuant to which the Group agreed to provide to Guangzhou Yue Xiu, its subsidiaries and its associates (but excluding the Company and its subsidiaries) ("Guangzhou Yue Xiu Entities") the Construction Services for a term from 1 January 2025 to 31 December 2027.</p> <p>The annual caps under the 2025 Construction Services Framework Agreement are RMB100,000,000, RMB110,000,000 and RMB130,000,000 for the year ended 31 December 2025 and the years ending 31 December 2026 and 2027, respectively.</p> | RMB39,795,500                                      |

## REPORT OF THE DIRECTORS

(6)

| Date            | Connected Party   | Relationship with the Company               | Nature of Transaction  | Aggregate transaction value for the Reporting Year |
|-----------------|-------------------|---|--|--|
| 3 November 2022 | Guangzhou Yue Xiu | The ultimate holding company of the Company | On 3 November 2022, the Company and Guangzhou Yue Xiu entered into the Master Lease Agreement pursuant to which the Group shall from time to time lease or sub-lease (as the case may be) properties in the PRC that are owned or leased by the Group to the Guangzhou Yue Xiu Entities for use as dormitories for employees of the Guangzhou Yue Xiu Entities after refurbishment work performed by the Group on the Lease Properties. The annual caps for the Lease Transactions are RMB31,000,000, RMB63,000,000 and RMB70,000,000 for the years ended 31 December 2023, 2024 and 2025, respectively. | RMB10,430,500                                      |

## REPORT OF THE DIRECTORS

(7)

| Date             | Connected Party   | Relationship with the Company               | Nature of Transaction   | Aggregate transaction value for the Reporting Year |
|------------------|-------------------|---|---|--|
| 29 December 2025 | Guangzhou Yue Xiu | The ultimate holding company of the Company | On 29 December 2025, the Company (as lessee) and Guangzhou Yue Xiu (as lessor) entered into the Lease Framework Agreement, pursuant to which the Group may lease certain spaces and units of Yuexiu Financial Tower from the GZYX Entities. The annual caps for the rents payable by the Group to the GZYX Entities are RMB110,000,000, RMB120,000,000 and RMB120,000,000 for the years ending 31 December 2026, 2027 and 2028, respectively. |  |

(8)

| Date             | Connected Party   | Relationship with the Company               | Nature of Transaction   | Aggregate transaction value for the Reporting Year  |
|------------------|-------------------|---|---|---|
| 21 November 2024 | Guangzhou Yue Xiu | The ultimate holding company of the Company | On 21 November 2024, Yuexiu Services entered into the 2025 Procurement Framework Agreement with Guangzhou Yue Xiu and the Company ("2025 YXS Procurement Framework Agreement"), pursuant to which the Yuexiu Services Group may procure, and Guangzhou Yue Xiu, the Company and their respective associates may provide, the procured products and services for a term commencing on 1 January 2025 and ending on 31 December 2027. The annual caps for Guangzhou Yue Xiu and its associates under the 2025 YXS Procurement Framework Agreement are RMB35,417,000, RMB61,222,000 and RMB105,830,000 for the year ended 31 December 2025 and the years ending 31 December 2026 and 2027, respectively. | Guangzhou Yue Xiu and its associates: RMB11,259,000 |

## REPORT OF THE DIRECTORS

(9)

| Date            | Connected Party   | Relationship with the Company               | Nature of Transaction  | Aggregate transaction value for the Reporting Year |
|-----------------|-------------------|---|--|--|
| 2 December 2025 | Guangzhou Yue Xiu | The ultimate holding company of the Company | On 2 December 2025, the Company entered into the 2025 Procurement Framework Agreement with Guangzhou Yue Xiu ("2025 YXP Procurement Framework Agreement"), pursuant to which the Group may procure, and Guangzhou Yue Xiu Entities may provide, the relevant procured products and services for a term up to and including 31 December 2027. The annual caps under the 2025 YXP Procurement Framework Agreement are RMB15,000,000, RMB21,000,000 and RMB27,000,000 for the year ended 31 December 2025 and the years ending 31 December 2026 and 2027, respectively. | RMB9,607,500                                       |

The aforesaid continuing connected transactions have been reviewed by independent non-executive directors of the Company. The independent non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company has engaged the auditor of the Company to report on the aforesaid continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (iv) have exceeded the annual cap in respect of the disclosed continuing connected transactions.

## REPORT OF THE DIRECTORS

### Connected Transaction:

#### *The acquisition of 50.5% equity interests in the project company*

On 26 September 2025, 杭州越隴房地產開發有限公司 (Hangzhou Yuelong Property Development Co., Ltd.\*) (the "Purchaser"), which is an indirect non-wholly owned subsidiary of the Company, has entered into the cooperation agreement with 杭州濱江房產集團股份有限公司 (Hangzhou Binjiang Real Estate Group Co., Ltd.\*) (the "Seller") and 杭州濱德房地產開發有限公司 (Hangzhou Binde Real Estate Development Co., Ltd.\*) (the "Project Company"), a wholly-owned subsidiary of the Seller as at the date of the agreement, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, 50.5% of the equity interests in the Project Company. Upon completion, the equity interests in the Project Company will be held by the Purchaser and the Seller as to 50.5% and 49.5%, respectively, and shareholder loan provided by the Purchaser and the Seller to the Project Company will be in the proportion of 50.5% and 49.5%, respectively.

The total consideration payable by the Purchaser comprises (i) the equity transfer consideration in the amount of RMB404,000,000; (ii) the interest which is expected to be in the amount of approximately RMB1,699,175; and (iii) the shareholder loan which is expected to be in the amount of RMB394,086,850. It was determined based on the 50.5% (i.e. the Purchaser's equity interests in the Project Company upon completion) of the total land premium and the project company funding, together with the interest payable to the Seller.

The Project Company was newly established by the Seller specifically for the development of the land parcel. The land parcel is located in the Yuhang District, Hangzhou, the PRC with a total site area of 36,496 sq. m.. It will be developed for residential use. The Project Company is not expected to engage in any other business except for the development of the land parcel into residential properties for sale.

As the Seller is a substantial shareholder of certain project companies which are indirect non-wholly owned subsidiaries of the Company, each of the Seller and the Project Company is a connected person of the Company at the subsidiary level. Therefore, the aforementioned transaction constitutes a connected transaction of the Company and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from independent shareholders' approval requirement.

Please refer to the announcement of the Company dated 26 September 2025 for further details.

Save as the above-mentioned, the transactions with related parties set out in paragraphs (b) and (c) in note 43 to the consolidated financial statements in this annual report constituted connected transactions or continuing connected transactions (as the case may be) entered into or continued by the Group during the Reporting Year which were regarded as "exempted transaction" or "de minimis transaction" pursuant to the Listing Rules or do not constitute a connected transaction or a continuing connected transaction as defined under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

For completeness, for details of other connected transactions and continuing connected transactions of Yuexiu Services, a subsidiary of the Company, please refer to the 2025 annual report of Yuexiu Services.

## SHARE CAPITAL

Details of movements in share capital of the Company during the Reporting Year are set out in note 34 to the consolidated financial statements.

## BANK LOANS AND OTHER BORROWINGS

Analysis of bank loans and other borrowings of the Group as well as information on charges on the Group's assets as at 31 December 2025 are set out in note 31 and note 40 to the consolidated financial statements.

\* For identification purpose only

## REPORT OF THE DIRECTORS

### DEBENTURES ISSUED

During the Reporting Year, the Group issued corporate bonds and medium term notes in an aggregate principal amount of RMB7.25 billion for repaying the corporate bonds and medium term notes of the Group. Details of the bonds payable of the Group are set out in note 31 to the consolidated financial statements.

### INTERESTS OF DIRECTORS/CHIEF EXECUTIVE

As at 31 December 2025, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

#### The Company

##### Long positions in shares of the Company:

| Name of Director           | Nature of interest                      | Beneficial interest in shares | Approximate % of interest (Note 3) |
|----------------------------|---|-------------------------------|------------------------------------|
| Mr Lin Zhaoyuan            | Beneficial owner                        | 1,194,560                     | 0.02968                            |
| Mr Zhu Huisong (Note 1)    | Beneficial owner/Beneficiary of a trust | 270,627                       | 0.00672                            |
| Mr Jiang Guoxiong (Note 2) | Beneficial owner/Beneficiary of a trust | 1,988,842                     | 0.04941                            |
| Ms Liu Yan                 | Beneficial owner                        | 3,400                         | 0.00008                            |
| Mr Yu Lup Fat Joseph       | Beneficial owner                        | 600,000                       | 0.01491                            |
| Mr Lee Ka Lun              | Beneficial owner                        | 858,000                       | 0.02131                            |
| Mr Lau Hon Chuen Ambrose   | Beneficial owner                        | 1,258,712                     | 0.03127                            |

Note 1: Mr Zhu Huisong is interested in 270,627 Shares, out of which 98,983 Shares are owned by him as beneficial owner, 171,644 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management.

Note 2: Mr Jiang Guoxiong is interested in 1,988,842 Shares, out of which 1,780,393 Shares are owned by him as beneficial owner, 208,449 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust for Directors and Senior Management.

Note 3: The total number of 4,025,392,913 shares of the Company in issue as at 31 December 2025 was used for the calculation of the approximate percentage.

## REPORT OF THE DIRECTORS

## Yuexiu Transport Infrastructure Limited

## Long positions in shares of Yuexiu Transport Infrastructure Limited:

| Name of Director         | Nature of interest | Beneficial interest in shares | Approximate % of interest (Note) |
|--------------------------|--------------------|-------------------------------|----------------------------------|
| Mr Lin Zhaoyuan          | Beneficial owner   | 120                           | 0.00001                          |
| Ms Liu Yan               | Beneficial owner   | 485                           | 0.00003                          |
| Mr Lau Hon Chuen Ambrose | Beneficial owner   | 195,720                       | 0.012                            |

Note: The total number of 1,673,162,295 shares of Yuexiu Transport Infrastructure Limited in issue as at 31 December 2025 was used for the calculation of the approximate percentage.

Save as disclosed in this annual report, as at 31 December 2025, none of the directors and chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its other associated corporations (within the meaning of Part XV of the SFO), which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed in this annual report, at no time during the Reporting Year was the Company or a subsidiary a party to any arrangement to enable the directors of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## DISCLOSEABLE INTERESTS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SFO

As at 31 December 2025, the following persons (other than the Directors and chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

| Name  | Capacity                             | Number of shares held            | Approximate % of interest (Note 3) |
|---|--------------------------------------|----------------------------------|------------------------------------|
| 廣州越秀集團股份有限公司<br>(Guangzhou Yue Xiu Holdings Limited) (Note 1) | Interests of controlled corporations | 1,845,885,198<br>(Long position) | 45.86                              |
| Yue Xiu Enterprises<br>(Holdings) Limited ("YXE")             | Interests of controlled corporations | 1,746,724,198<br>(Long position) | 43.39                              |
| 廣州地鐵集團有限公司<br>(Guangzhou Metro Group Co., Ltd.) (Note 2)      | Interests of controlled corporations | 801,053,190<br>(Long position)   | 19.90                              |

## REPORT OF THE DIRECTORS

### Note 1:

To the best knowledge, information and belief of the Company having made all reasonable enquiries, pursuant to the SFO as at 31 December 2025, 廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited) was deemed to be interested in 1,845,885,198 shares in the Company as a result of its indirect holding of such shares through its subsidiaries, details of which were as follows:

| Name   | Long positions<br>in shares |
|--|-----------------------------|
| YXE  | 1,746,724,198               |
| Superb Master Ltd. ("Superb") (Note i)                       | 104,517,301                 |
| Bosworth International Limited ("Bosworth") (Note i)         | 1,238,030,690               |
| Novena Pacific Limited ("Novena") (Note i)                   | 254,297,135                 |
| Morrison Pacific Limited ("Morrison") (Note i)               | 71,049,347                  |
| Greenwood Pacific Limited ("Greenwood") (Note i)             | 61,019,210                  |
| Goldstock International Limited ("Goldstock") (Note i)       | 15,838,713                  |
| Yue Xiu Finance Company Limited ("Yue Xiu Finance") (Note i) | 1,971,802                   |
| 廣州資產管理有限公司 (Guangzhou Asset Management Co., Ltd.) (Note ii)  | 99,161,000                  |

- (i) Superb, Bosworth, Novena, Morrison, Greenwood, Goldstock and Yue Xiu Finance are wholly-owned by YXE.
- (ii) 廣州資產管理有限公司 (Guangzhou Asset Management Co., Ltd.) is an indirect subsidiary of 廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited).

### Note 2:

Pursuant to the SFO as at 31 December 2025, 廣州地鐵集團有限公司 (Guangzhou Metro Group Co., Ltd.) was deemed to be interested in 801,053,190 shares in the Company as a result of its indirect holding of such shares through its wholly-owned subsidiary, details of which was as follows:

| Name   | Long positions<br>in shares |
|--|-----------------------------|
| Guangzhou Metro Investment Finance (HK) Limited (Note i) | 801,053,190                 |

- (i) To the best knowledge, information and belief of the Company having made all reasonable enquiries, Guangzhou Metro Investment Finance (HK) Limited, which was wholly-owned by 廣州地鐵集團有限公司 (Guangzhou Metro Group Co., Ltd.), subscribed for all of its pro rata Rights Shares in respect of the Rights Issue of the Company conducted in 2023, increasing its interests to 801,053,190 shares. Please refer to the prospectus of the Company dated 11 May 2023 and the announcement of the Company dated 2 June 2023 in relation to the Rights Issue for further details.

### Note 3:

The total number of 4,025,392,913 shares of the Company in issue as at 31 December 2025 was used for the calculation of the approximate percentage.

Save as disclosed in this annual report, as at 31 December 2025, the Company had not been notified of any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register of interests of the Company required to be kept under Section 336 of the SFO.

## REPORT OF THE DIRECTORS

### SHARE INCENTIVE SCHEME

The Company adopted the Share Incentive Scheme (the "Share Incentive Scheme") on 2 December 2016 (the "Adoption Date") in order to (i) provide any Senior Manager selected by the Board (the "Selected Senior Management Participants") with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals to work with the Company; and (iii) provide additional incentive for them to achieve performance goals and promote the pursuit of long-term interests of the Company and its shareholders, with a view to achieving the objective of aligning the interests of the Selected Senior Management Participants with those of the shareholders of the Company. Pursuant to the scheme rules of the Share Incentive Scheme (the "Scheme Rules"), the Board may from time to time at its absolute discretion select any Senior Manager to be a Selected Senior Management Participant and determine the amount, to be applied for the purchase of ordinary shares of the Company (the "Shares") under the Share Incentive Scheme (the "Reference Awarded Sum") in respect of each Selected Senior Management Participant. The Senior Managers agree that, if they are selected by the Board to be Selected Senior Management Participants, they would like to apply the part of their bonus entitlements accrued for the financial periods ended 31 December of each year and their Bonus Entitlement, which would otherwise have been payable in cash, to purchase Shares under the Share Incentive Scheme.

The Share Incentive Scheme shall be valid and effective for nine years commencing from the Adoption Date (i.e. 2 December 2016) (the "Scheme Period"), subject to any early termination as may be determined by the Board. Pursuant to the Scheme Rules, BOCI-Prudential Trustee Limited (the "Trustee"), shall apply the Reference Awarded Sum received from the Company towards the purchase of the maximum number of Shares from the market and shall hold such Shares on trust during the Scheme Period. The relevant Shares which are purchased by the Trustee using the Reference Awarded Sum as determined by the Board (the "Scheme Shares") and their related income will be released to the relevant Selected Senior Management Participants in accordance with the release schedules as set out in the Scheme Rules. The vesting period of the Scheme Shares will be vested in three equal tranches from the second to the fourth year after the date of approval of the Scheme Shares by the Board.

The total number of Shares awarded under the Share Incentive Scheme shall not exceed 3% (equivalent to 92,893,682 shares after the effect of Share Consolidation) (the "Scheme Limit") of the number of Shares in issue as at the Adoption Date, and the Board may from time to time "refresh" the Scheme Limit provided that the total number of Scheme Shares awarded and to be awarded must not exceed 5% of the number of Shares in issue as at the date of the resolution to approve the "refreshed" limit. The Share Incentive Scheme does not mention the maximum number of Shares for each participant under the Share Incentive Scheme. Details of the Scheme Rules are set out in the announcement of the Company dated 2 December 2016.

During 2025, a total of 810,000 Shares, representing approximately 0.02% of the Company's total number of issued Shares as at 1 January 2025, were awarded or allocated to Selected Participants.

Since the Adoption Date and up to the date of this report, a total of 24,541,706 Shares had been awarded under the Share Incentive Scheme, representing approximately 0.61% of the number of the Company's Shares in issue on the Adoption Date (after the effect of Share Consolidation). The vesting of the awarded Shares is subject to the conditions as set out in the Share Incentive Scheme and the fulfillment of such conditions as specified by the Board. As at 1 January 2025 and 31 December 2025, the number of Shares which is available for grant under the Share Incentive Scheme was 69,161,976 Shares and nil, respectively. As the Scheme Period has expired, no further entitlements to the Scheme Shares may be granted under the Share Incentive Scheme as at the date of this report.

As at 31 December 2025, taking into account the Shares acquired out of the dividends from the Shares held under the trust, there were 4,035,491 Shares held in trust under the Share Incentive Scheme (excluding Shares vested but not yet transferred to awardees).

## REPORT OF THE DIRECTORS

The details of the interests of the Selected Senior Management Participants under the Share Incentive Scheme during the year ended 31 December 2025 are as below:

|                | Date of award | Number of awarded Shares | Vesting period <sup>1</sup> | Number of Shares             |                                 |                        |                        |                           | Closing price of the Shares before the vesting date (HKD) |                                |
|----------------|---------------|--------------------------|-----------------------------|------------------------------|---------------------------------|------------------------|------------------------|---------------------------|---|--------------------------------|
|                |               |                          |                             | Balance as at 1 January 2025 | Shares acquired during the year | Vested during the year | Lapsed during the year | Cancelled during the year |   | Balance as at 31 December 2025 |
| Directors      |               |                          |                             |                              |                                 |                        |                        |                           |   |                                |
| Lin Zhaoyuan   | 23 May 2022   | 330,361                  | 1 Jul 2023 - 1 Jul 2025     | 110,121                      | —                               | 110,121                | —                      | —                         | —   | 4.64                           |
| Zhu Huisong    | 27 Jun 2024   | 102,680                  | 17 Jul 2025 - 17 Jul 2027   | 102,680                      | —                               | 34,226                 | —                      | —                         | 68,454  | 4.64                           |
|                | 12 Jun 2025   | 103,190 <sup>2</sup>     | 23 Jul 2026 - 23 Jul 2028   | —                            | 103,190                         | —                      | —                      | —                         | 103,190   | —                              |
| Jiang Guoxiong | 28 Jun 2023   | 62,020                   | 1 Jul 2024 - 1 Jul 2026     | 41,347                       | —                               | 20,673                 | —                      | —                         | 20,674  | 4.64                           |
|                | 16 Oct 2023   | 86,607                   | 26 Oct 2024 - 26 Oct 2026   | 57,738                       | —                               | 28,869                 | —                      | —                         | 28,869  | 4.64                           |
|                | 27 Jun 2024   | 105,452                  | 17 Jul 2025 - 17 Jul 2027   | 105,452                      | —                               | 35,150                 | —                      | —                         | 70,302  | 4.64                           |
|                | 12 Jun 2025   | 88,604 <sup>2,3</sup>    | 23 Jul 2026 - 23 Jul 2028   | —                            | 88,604                          | —                      | —                      | —                         | 88,604  | —                              |

## REPORT OF THE DIRECTORS

| Date of award   | Number of awarded Shares | Vesting period <sup>1</sup> | Number of Shares             |                                 |                        |                        |                           | Balance as at 31 December 2025 | Closing price of the Shares before the vesting date (HKD) |
|-----------------|--------------------------|-----------------------------|------------------------------|---------------------------------|------------------------|------------------------|---------------------------|--------------------------------|---|
|                 |                          |                             | Balance as at 1 January 2025 | Shares acquired during the year | Vested during the year | Lapsed during the year | Cancelled during the year |                                |   |
| Senior Managers |                          |                             |                              |                                 |                        |                        |                           |                                |   |
| 2 Dec 2016      | 1,692,933                | —                           | 750,544                      | —                               | —                      | —                      | —                         | 750,544                        | —   |
| 14 Nov 2017     | 1,508,579                | —                           | 62,649                       | —                               | —                      | —                      | —                         | 62,649                         | —   |
| 12 Jul 2018     | 1,900,152                | —                           | 73,950                       | —                               | —                      | —                      | —                         | 73,950                         | —   |
| 9 Oct 2019      | 2,214,965                | 3 Sep 2020 - 8 Jul 2022     | 234,292                      | —                               | —                      | —                      | —                         | 234,292                        | —   |
| 30 Sep 2020     | 2,396,545                | 27 Nov 2021 - 17 Oct 2023   | 232,989                      | —                               | —                      | —                      | —                         | 232,989                        | —   |
| 7 Oct 2021      | 4,227,586                | 7 Dec 2022 - 1 Dec 2024     | 404,488                      | —                               | —                      | —                      | —                         | 404,488                        | —   |
| 23 May 2022     | 1,852,849                | 1 Jul 2023 - 1 Jul 2025     | 617,629                      | —                               | 544,591                | —                      | —                         | 73,038                         | 4.64  |
| 28 Jun 2023     | 569,071                  | 1 Jul 2024 - 1 Jul 2026     | 379,383                      | —                               | 167,768                | —                      | —                         | 211,615                        | 4.64  |
| 16 Oct 2023     | 865,993                  | 26 Oct 2024 - 26 Oct 2026   | 577,332                      | —                               | 259,765                | —                      | —                         | 317,567                        | 4.64  |
| 27 Jun 2024     | 959,868                  | 17 Jul 2025 - 17 Jul 2027   | 959,868                      | —                               | 283,808                | —                      | —                         | 676,060                        | 4.64  |
| 12 Jun 2025     | 618,206 <sup>2,3</sup>   | 23 Jul 2026 - 23 Jul 2028   | —                            | 618,206                         | —                      | —                      | —                         | 618,206                        | —   |

## Notes:

1. The Award Shares and the related income are vested in three equal tranches in the second to the fourth year after the grant.
2. The closing price of the Shares immediately before the date of award on 12 June 2025 was HKD4.40 per share.
3. The fair value of the Award Shares is determined in accordance with HKFRS 13 by reference to the cost of the purchase of the Award Shares. During 2025, the total fair value of the Award Shares granted was HKD3,774,084.
4. The weighted average closing price of the Shares immediately before the dates on which the awards were vested in 2025 was HKD4.64 per share.

## REPORT OF THE DIRECTORS

### SHARE AWARD SCHEME

The Company adopted the Share Award Scheme (the "Share Award Scheme") on 17 March 2017 ("SA Adoption Date") in order to (i) provide any employee selected by any person or group of persons (the "Selected Participants") approved by the Board from time to time and delegated with the power and authority by the Board to administer the Share Award Scheme (the "Board Delegation") with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals to work with Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司) (the "GCCD") (indirectly owned as to 95% by the Company) and the Group; and (iii) provide additional incentive for them to achieve performance goals and promote the pursuit of long-term interests of GCCD and the Group, with a view to achieving the objective of increasing the value of the Group and aligning the interests of the Selected Participants with those of the shareholders of the Company. The eligible participant is any employee of GCCD or a member of the Group (as the case may be), or any other person the Board Delegation (in consultation with the board of directors of GCCD) shall determine to be an eligible employee for the purpose of the Scheme. Pursuant to the Scheme Rules, the Board Delegation (after consultation with and having taken into account the recommendations of the board of directors of GCCD) may from time to time at its absolute discretion select any Employee to be a Selected Participant and determine and allocate the number of ordinary shares of the Company (the "Shares") to be granted to a Selected Participant pursuant to an Award in accordance with the Scheme Rules.

The Share Award Scheme shall be valid and effective for nine years commencing from the SA Adoption Date (i.e. 17 March 2017) (the "Scheme Period"), subject to any early termination as may be determined by the Board. Subject to the Restrictions, GCCD will cause to be paid to BOCI-Prudential Trustee Limited (the "Trustee") the monies approved by the Board Delegation (the "Purchase Monies") for the purchase of Shares for the purpose of the Share Award Scheme, and the Trustee shall apply the full amount of such Purchase Monies received from GCCD towards the purchase of the maximum number of Shares from the market and shall hold such Shares on trust during the Scheme Period. The relevant Shares which are purchased by the Trustee using the Purchase Monies as determined by the Board Delegation (the "Award Shares") and their related income will vest in the relevant Selected Participant in accordance with the vesting schedules and terms as set out in the Scheme Rules. The vesting period of the Scheme Shares will be vested in three equal tranches from the second to the fourth year after the date of approval of the Scheme Shares by the Board.

The total number of Shares awarded under the Share Award Scheme shall not exceed 3% (equivalent to 92,893,682 Shares after the effect of Share Consolidation) (the "SA Scheme Limit") of the number of Shares in issue as at the SA Adoption Date, and the Board may from time to time "refresh" the Scheme Limit provided that the total number of Award Shares awarded and to be awarded must not exceed 5% of the number of Shares in issue as at the date of the resolution to approve the "refreshed" limit. The Share Award Scheme does not mention the maximum number of Shares for each participant under the Share Award Scheme. Details of the Share Award Scheme Rules are set out in the announcement of the Company dated 17 March 2017.

During 2025, a total of 261,000 Shares, representing 0.0065% of the Company's total number of issued Shares as at 1 January 2025, were awarded or allocated to Selected Participants.

## REPORT OF THE DIRECTORS

Since the SA Adoption Date and up to the date of this report, a total of 57,795,022 Shares had been awarded under the Share Award Scheme, representing approximately 1.44% of the number of the Company's Shares in issue on the SA Adoption Date (after the effect of Share Consolidation). The vesting of the awarded Shares is subject to the conditions as set out in the Share Award Scheme and the fulfillment of such conditions as specified by the Board. As at 1 January 2025 and 31 December 2025, the number of Shares which is available for grant under the Share Award Scheme was 35,359,658 Shares and 35,098,658 Shares, respectively. As the Scheme Period has expired, no further Award Shares may be granted under the Share Award Scheme as at the date of this report.

As at 31 December 2025, taking into account the Shares acquired out of the dividends from the Shares held under the trust, there were 2,013,955 Shares held in trust under the Share Award Scheme (excluding Shares vested but not yet transferred to awardees).

Further details of the Share Award Scheme are set out in note 35 to the Consolidated Financial Statements.

The details of the interests of the Selected Participants under the Share Award Scheme during the year ended 31 December 2025 are as below:

|                | Date of award | Number of awarded Shares | Vesting period <sup>1</sup> | Number of Shares             |                                 |                        |                        |                           | Closing price of the Shares before the vesting date (HKD) |                                |
|----------------|---------------|--------------------------|-----------------------------|------------------------------|---------------------------------|------------------------|------------------------|---------------------------|---|--------------------------------|
|                |               |                          |                             | Balance as at 1 January 2025 | Shares acquired during the year | Vested during the year | Lapsed during the year | Cancelled during the year |   | Balance as at 31 December 2025 |
| Jiang Guoxiong | 23 May 2022   | 389,433                  | 1 Jul 2023 - 1 Jul 2025     | 129,813                      | —                               | 129,813                | —                      | —                         | —   | 4.64                           |
| Employees      |               |                          |                             |                              |                                 |                        |                        |                           |   |                                |
|                | 14 Nov 2017   | 3,438,493                | —                           | 154,874                      | —                               | —                      | —                      | —                         | 154,874   | —                              |
|                | 6 Jul 2018    | 5,418,157                | —                           | 491,844                      | —                               | —                      | —                      | —                         | 491,844   | —                              |
|                | 9 Oct 2019    | 6,333,132                | 3 Sep 2020 - 8 Jul 2022     | 511,333                      | —                               | —                      | —                      | —                         | 511,333   | —                              |
|                | 30 Sep 2020   | 9,786,824                | 27 Nov 2021 - 17 Oct 2023   | 340,637                      | —                               | —                      | —                      | —                         | 340,637   | —                              |
|                | 7 Oct 2021    | 19,454,905               | 7 Dec 2022 - 1 Dec 2024     | 804,711                      | —                               | —                      | —                      | —                         | 804,711   | —                              |
|                | 23 May 2022   | 7,519,283                | 1 Jul 2023 - 1 Jul 2025     | 2,673,752                    | —                               | 2,363,547              | —                      | —                         | 310,205   | 4.64                           |
|                | 16 Oct 2023   | 3,558,400                | 26 Oct 2024 - 26 Oct 2026   | 2,397,336                    | —                               | 1,139,251              | —                      | —                         | 1,258,085   | 4.64                           |
|                | 27 Jun 2024   | 277,000                  | 17 Jul 2025 - 17 Jul 2027   | 277,000                      | —                               | 92,333                 | —                      | —                         | 184,667   | 4.64                           |
|                | 12 Jun 2025   | 261,000 <sup>2,3</sup>   | 23 Jul 2026 - 23 Jul 2028   | —                            | 261,000                         | —                      | —                      | —                         | 261,000   | —                              |

## REPORT OF THE DIRECTORS

### Notes:

1. The Award Shares and the related income are vested in three equal tranches in the second to the fourth year after the grant.
2. The closing price of the Shares immediately before the date of award on 12 June 2025 was HKD4.40 per share.
3. The fair value of the Award Shares is determined in accordance with HKFRS 13 by reference to the cost of the purchase of the Award Shares. During 2025, the total fair value of the Award Shares granted was HKD1,216,064.
4. The weighted average closing price of the Shares immediately before the dates on which the awards were vested in 2025 was HKD4.64 per share.

During the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group included two (2024: two) directors. The details of the grant of awards to the remaining three (2024: three) highest paid individuals who are neither a director nor senior management of the Company but are categorised as Senior Managers under the Share Incentive Scheme and employees under the Share Award Scheme are as below:

| Date of award          | Balance as at<br>1 January<br>2025 | Shares<br>acquired<br>during<br>the year | Vested<br>during<br>the year | Lapsed<br>during<br>the year | Cancelled<br>during<br>the year | Balance<br>as at 31<br>December<br>2025 |
|------------------------|------------------------------------|--|------------------------------|------------------------------|---------------------------------|---|
| Share Incentive Scheme |                                    |  |                              |                              |                                 |   |
| 23 May 2022            | 68,698                             | —  | 68,698                       | —                            | —                               | —                                       |
| 28 Jun 2023            | 77,676                             | —  | 38,837                       | —                            | —                               | 38,839                                  |
| 16 Oct 2023            | 106,221                            | —  | 53,109                       | —                            | —                               | 53,112                                  |
| 27 Jun 2024            | 194,640                            | —  | 64,879                       | —                            | —                               | 129,761                                 |
| 12 Jun 2025            | —                                  | 199,739                                  | —                            | —                            | —                               | 199,739                                 |
| Share Award Scheme     |                                    |  |                              |                              |                                 |   |
| 23 May 2022            | 264,372                            | —  | 264,372                      | —                            | —                               | —                                       |
| 16 Oct 2023            | 189,393                            | —  | 94,695                       | —                            | —                               | 94,698                                  |
| 27 Jun 2024            | 106,732                            | —  | 35,577                       | —                            | —                               | 71,155                                  |
| 12 Jun 2025            | —                                  | 93,061                                   | —                            | —                            | —                               | 93,061                                  |

## REPORT OF THE DIRECTORS

### EQUITY LINKED AGREEMENT

No equity-linked agreements were entered into by the Company during 2025 or subsisted at the end of 2025.

### 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 Reporting Year.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, there was a sufficiency of public float of the Company's securities as required under the Listing Rules as at the latest practicable date prior to the issue of this report.

### MAJOR CUSTOMERS AND SUPPLIERS

No disclosures with regard to the Group's major customers and suppliers are made since the aggregate percentages of sales and purchases attributable to the Group's five largest customers and suppliers were less than 30% of the Group's total sales and purchases for the year ended 31 December 2025.

### AUDITOR

The consolidated financial statements have been audited by Ernst & Young ("EY"), Certified Public Accountants and Registered Public Interest Entity Auditor.

At the annual general meeting of the Company held on 18 May 2023, PricewaterhouseCoopers retired as the auditor of the Company and EY was appointed as the new auditor of the Company.

EY will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

**Lin Zhaoyuan**

*Chairman*

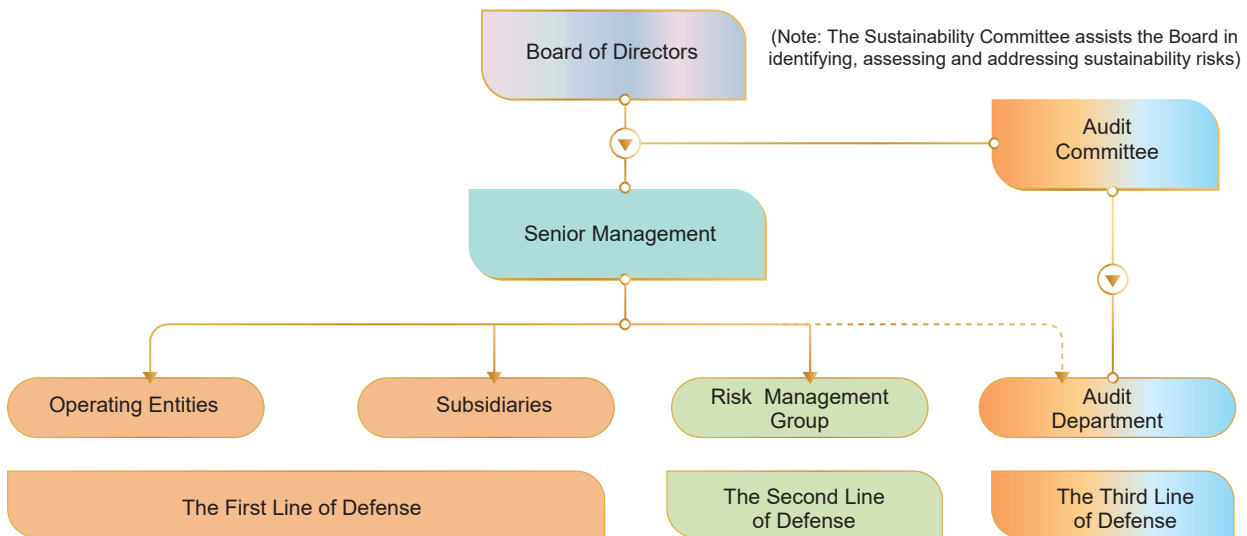
Hong Kong, 31 March 2026

## REPORT OF RISK MANAGEMENT

### I. RISK MANAGEMENT CONCEPT

Risks of the Group refer to any factors that may affect the realization of its strategic goals by the Group, including positive or negative incidents, accidents or acts that have a substantial impact on the success potential (e.g. reputation), assets, capital, profitability or liquidity (cash) of the Group. In the process of formulating and realizing strategic goals, the Board, management and employees of the Group jointly participate in the cultural integration, capacity building and various practices of risk management, using risk management to create, maintain and realize value for the Group. Risk management infiltrates all operations and management of the Group. Through risk management, we identify the potential items that may affect the Group and manage risks within the range of risk appetite so as to provide reasonable assurance for achieving the goals of the Group.

### II. RISK MANAGEMENT ORGANISATIONAL STRUCTURE



The risk management organisational structure of the Group comprises: the Board of Directors (and its Audit Committee), the senior management, functional departments in head office and the subsidiaries, the Risk Management Group and the Audit Department.

## REPORT OF RISK MANAGEMENT

1. The Board of Directors (and its Audit Committee) is the governing body for comprehensive risk management tasks of the Group. It is responsible for maintaining an adequate risk management and internal control system to safeguard shareholders' interests and the Group's assets and for reviewing, through its Audit Committee, the effectiveness of the system. The Board of Directors considers that the Company's risk management and internal control system are adequate and effective for achieving the objectives set out in Principle D2 of the CG Code (including dealing with identified risks, safeguarding the issuer's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the issuer's financial reports and achieving compliance with applicable laws and regulations). Its purpose is to manage rather than to eliminate risks of failure to meet business objectives, and to strive to ensure that no major misrepresentation or loss will occur. Its major responsibilities include reviewing and approving the overall organization structure and their terms of reference of risk management, formulating the overall objectives and requirements of risk management, reviewing and approving annual risk appetite policy and various risk management reports, supervising the investment of risk management resources, supervising the implementation and continuous operation of the risk management system, and monitoring the construction of the Company's risk management culture. There is a Sustainability Committee established under the Board, which assists the Board in identifying, assessing and addressing sustainability risks.
2. The senior management is responsible for organizing daily risk management and deciding on risk management matters subject to the authorisation of the Board of Directors. Its main responsibility is to implement and promote the task to establish a comprehensive risk management system of the Company, to establish and improve the organisation and responsibility system of the three lines of defense of the Group, continue to operate the risk management process and mechanism, to review the effectiveness of risk management system, and confirm with the Board (and its Audit Committee), and to construct the enterprise risk management culture.
3. All functional departments in the head office and the subsidiaries are the first lines of defense in risk management, discharging their respective duties of risk management during business management. They are the risk bearer and the chief risk supervisor, monitoring the core capabilities and resources of various departments, establishing and improving the risk management and control mechanism of the department, being responsible for identifying and assessing the main risks within the responsible scope, making effective risk management strategy, and implementing risk mitigation measures.
4. The Risk Management Group represents the second line of defense of risk management, responsible for the organization, collaboration and coordination of overall risk management, coordinating formulation of risk appetite, risk management systems and policies of the Group, summarizing and monitoring the risk exposure and management of all business areas and regularly reporting to the senior management. In addition, it is responsible for pushing the first line of defense to continuously improve risk management and control measures, constantly promoting the enhancement of the Group's risk management level, researching on advanced risk management concepts and tools, taking into account the external data and giving professional advice for major risk decision-making matters.

## REPORT OF RISK MANAGEMENT

5. The Audit Department is the third line of defense with independence and objectiveness. It is responsible for carrying out independent tests, verification and evaluation on the integrity and effectiveness of the risk management framework and the internal control system and providing independent and objective assessments on the effectiveness of the risk management system that has been established, and constantly monitoring the compliance of handling and dissemination of inside information. It is also responsible for reporting severe internal errors to the senior management and Board of Directors, and enforcing the relevant organizations to rectify and improve in time.

### III. RISK APPETITE

The Group will implement the "strive for progress with balance" overall risk appetite policy, maintain a stable capital and liabilities structure and maintain sufficient capital to resist various kinds of risks that might be faced through striking a balance between risks and income return:

1. Strategy risk refers to the risk that the strategic objectives do not fully consider changes in the market environment or the implementation of the strategic objectives is not in place, resulting in damage to corporate value. The Group manages strategy risks through review of effect of strategy implementation;
2. Financial and liquidity risk refer to inadequate financial management and unreasonable liquidity arrangements, resulting in obstruction to the Group's operations, or resulting in idle funds or reduced use efficiency. The Group manages financial and liquidity risks through indicators including gearing ratio, the ratio of funds return to signed contracts, cash ratio in total assets and the total assets turnover ratio;
3. Market risk refers to the drastic changes in the capital market and fund market and has a significant impact on the financing cost and capital cost of the enterprise, resulting in damage to the Group's enterprise value. The Group manages market risk through indicators such as financing cost and price-to-book ratio;
4. Operation risk refers to the risk of unexpected losses caused by the Group's internal control system defects. The Group manages operation risks by improving its internal control system, coordinating risk incident management and enhancing the accountability of risk incidents;
5. Reputation risk refers to the risk of negative public opinion, a certain number of customer complaints, and the failure of internal response of the group, which ultimately damages the value of the group and causes negative effects. The Group manages reputational risks through customer satisfaction and other indicators;
6. Sustainability risk refers to risk arising from environmental protection and sustainable development, people-oriented concepts and assumption of social responsibilities, and corporate governance in the process of operation and management of an enterprise. The Group manages sustainability risks by establishing the Sustainability Committee (formerly known as the Environmental, Social and Governance Committee), improving relevant risk identification, assessment and response mechanisms, and strengthening fulfillment of corporate social responsibility as well as internal governance.

## REPORT OF RISK MANAGEMENT

### IV. RISK MANAGEMENT PROCEDURE

The Group carries out risk identification, evaluation and management in respect of the impact on operation efficiency, sustainable development capability and reputation by reference to the enterprise risk management (ERM) framework of Committee of Sponsoring Organizations of the Treadway Commission (COSO) and in accordance with the frequency of the occurrence of various kinds of risks and the degree of attention of the management of the Group and taking into account possible financial losses arising from risks. On this basis, risk management strategies, monitoring model and response plans are designed in respect of major risks so as to raise the management and control standard and such strategy and monitoring model and plans are implemented in the ordinary course of business.

#### 1. Collection of Initial Risk Management Information

All functional departments in the head office (such as the strategic investment centre, the finance (banking) management center, the marketing centre, sustainability-related functional departments, etc.) and the subsidiaries continue to collect in their daily operation risk-related internal and external information, including historical data, future forecasts and risk loss cases occurred in relevant enterprises within and outside China, with a focus on monitoring risks and risk performance that affect achievement of objectives of the Company; conduct dynamic management of risk information; identify risks associated with the functions or business of their own units based on risk information collected for business and submit the same to the Risk Management Group in the head office as required; the Risk Management Group carries out professional analysis, screening, refinement and aggregation of risk information identified and reported by all units, sets up the risk library of the Company and reports risk identification results to the senior management; for key risks in key areas, the Risk Management Group collects first-hand key risk information on its own, and submits the same to the senior management on a regular basis.

#### 2. Risk Evaluation

The Risk Management Group formulates risk assessment standards and carries out assessment of all kinds of risks identified based on the risk types and the actual needs of risk management with reference to dimensions such as possibilities of risk occurrence and the degree of impact of risk occurrence. Assessment methods include qualitative and quantitative methods: qualitative methods can be in forms of questionnaires, consultation with experts and interviews with the management, while quantitative methods can be in forms of statistical inference, computer simulation and machine learning.

Implementation of risk assessment is in the form of a combination of periodic assessments and routine assessments. Under normal circumstances, risk assessment is carried out on an annual basis. In cases of significant changes such as restructure of organization structure, change in business model and change in management model, or significant change in external environment and economic policies, risk assessment of particular areas or topics can be carried out in light of the circumstance.

## REPORT OF RISK MANAGEMENT

### 3. Formulation of Risk Management Strategies

The Risk Management Group prepares an annual risk appetite policy every year and reports the same to the senior management for their review and submits to the Board of Directors for its approval. The policy is eventually communicated to various departments and business lines for implementation through setting different levels of risk appetite indicators. Quantitative indicators that accurately reflect risk factors and appropriate management strategies are developed for various risks. For risks causing possible losses within the enterprise's sustainable scope and having a minimal impact on the overall objective of the Group, strategies such as risk taking and risk control can be adopted. For other risks that might have more significant impact, prudent risk management strategies such as risk avoidance and risk transfer are adopted to reduce or prevent losses arising from risks.

### 4. Improvement of Risk Management Measures

The Group has sound procedures and mechanisms for monitoring implementation of the annual risk appetite policy. The Board of Directors approves an annual risk appetite policy on annual basis and determines overall targets and requirements for the risk management. The senior management are responsible for organising the implementation of the risk appetite policy by various divisions of the head office and the subsidiaries, setting up various risk appetite indicators for departments in charge and their management duties on the operation of indicators; The Risk Management Group collects data about risk appetite on a regular basis, conducts in-depth analysis for indicators not operating normally, and makes improvements through corresponding management measures. All functional departments of the head office and the subsidiaries are responsible for monitoring various specific risks and working out risk management measures in respect of major risks.

### 5. Supervision and Improvement

The Audit Department is responsible for monitoring effectiveness of risk management and internal control systems. On one hand, risk management and evaluation of internal control are conducted on a regular basis, and whether the risks borne by the Company deviate from the Company's risk appetite is objectively determined through analysis of the types and characteristics of risks encountered by the Company and the Company's business operation activities. On the other hand, auditing and supervision are conducted on the performance of risk management functions and work, and operation of internal control system. The results will be reported to the senior management and the Board to improve the effectiveness of internal control.

## REPORT OF RISK MANAGEMENT

### V. PROCEDURES AND INTERNAL CONTROL MEASURES FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, sending blackout period and securities dealing restrictions notification to the relevant directors and employees regularly, disseminating information to specified persons on a need-to-know basis with regard closely to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012.

### VI. MAJOR RISKS AND MANAGEMENT INITIATIVES IN 2025

In terms of optimizing the risk management system, the Group made continuous improvement on the basis of the established system to manage its risk appetite and formulated annual risk appetite policy and supporting management mechanism. Closed-loop management was formed through monitoring, feedback and assessment to ensure the achievement of overall business objectives of the Company. Through enhancement of the identification and evaluation of major risks and deepening of the audit of core business processes such as marketing management, investment management, progress management, etc., the Group achieved integration and interaction of risk management functions and internal audit functions, which strengthened the support of the risk management system.

For strategic risks: the Group adhered to the prudent investment strategies of "targeted investments" and "investment based on sales cash inflows", concentrating its investment on tier-1 cities and quality tier-2 provincial capital cities, with particular focus on the projects with high certainty in profitability and fast recovery of cash flow. In active response to the government's policy of revitalizing land stock, the Group successfully secured land use certificates in Guangzhou, completed land replacement in Hangzhou, as well as commercial-to-residential conversion and revitalization of self-operated projects, thereby optimizing the landbank structure of the Company. In terms of sales, the Group adopted a targeted marketing and pricing strategy of "one project, one policy", established corresponding assessment mechanisms, and enhanced product competitiveness through multi-dimensional measures such as community operations, revitalization of display areas and secondary product strategies. The Group continued to promote the strategy of "Coordinated Residential and Commercial Development", further enhancing the tenant acquisition and operation capabilities of commercial projects. Through product renovation, adjustments and implementation, as well as brand optimization and upgrades, the Group optimized tenant structure and quality, stabilized rental levels and occupancy rates, and drove high-quality openings of commercial projects to achieve steady growth in the commercial segment.

## REPORT OF RISK MANAGEMENT

For financial and liquidity risks: the Group ensures healthy financial position as well as sufficient and safe liquidity. The “Three Red Lines” indicators of the Group remained in “green lights”, and the financial indicators were healthy and safe. In light of the ongoing downturn in the real estate market, the Group accelerated cash collection, achieving net cash inflows from operating activities and diversified financing channels and optimised its debt structure to further reduce the average financing cost year-on-year. The Group maintained a leading position among the industry in terms of financing costs.

For operation risks: the Group continued to deepen refined management and established a product innovation management mechanism with a customer-centric principle. It comprehensively promoted the integration of design and construction, continued to enhance product competitiveness and fully implemented the “quality products convention”. The Group has built a full-cycle quality management and control mechanism, established a quality control system featuring “one set of standards, one set of mechanisms”, and strengthened the implementation of quality management and control. It also collected full-cycle customer big data and fully applied customer big data in scenarios such as project feasibility studies, product strategies and product innovation. The Group promoted the construction and application of the Yue Smart Manufacturing BIM platform to support management efficiency improvement.

For market risk, the Group reduced the impact of exchange rate fluctuations on profit and loss by reasonably matching foreign currency assets and foreign currency liabilities, examining the foreign exchange exposure on a regular basis, and conducting stress measurement and evaluation; the Group reduced the impact of uncertainty in money markets and capital markets on the value of the Group by establishing close ties with capital markets and investment institutions, and managing and following up on the credit ratings of listed companies of the Group.

For reputational risk, the Group established relationships with various media organizations to manage the Group’s brand value; conducted monitoring of online public opinion to prevent its damage to the Group’s brand value; and improved the customer service system to effectively respond to customer complaints, to reduce reputational risk.

For sustainability risk: the Group continued to improve its sustainability management system, including establishing several working groups under the Sustainability Committee of the Board, such as Climate Change Response Working Group, Green Office Working Group, “Dual Carbon” Working Group and Green Supply Chain Working Group, to comprehensively promote the implementation of the sustainability strategies of the Board.

## REPORT OF RISK MANAGEMENT

## VII. 2026 OUTLOOK AND MAJOR MEASURES

1. The Group continued to comply with the Listing Rules and the best practices of the industry to enhance the risk management system:

Focus on the positioning of “strategic protection”, adhere to the strategic goals and business plans of the Group and continue to implement the risk appetite management system. Through risk identification, evaluation, response, and monitoring the reported risk and the process of continued improvement, foundation for healthy development of the Group was laid to facilitate the realisation of its strategic goals.

Persist with the concept of integrating risk management with business management, vigorously push forward the combination of risk management and daily operations, combine the enhancement of system establishment with the improvement of business processes, and embody the ideas and requirements of risk management in various specific management and business activities.

Enhance the function of the “Three Lines of Defense” and refine the risk management system. Reinforce the duty of “managing risks” of the “First Line of Defense” of functional departments and responsible units through regulating business processes and internal control; reinforce the duty of the “Second Line of Defense” of the risk management functional departments through strengthening the risk assessment and accountability mechanism, enhancing the binding force of risk management, and developing the culture of risk management; fully capitalize on the “Third Line of Defense” function of internal audit and supervision.

2. For management of specific risks, after the process of risk identification and assessment, the Group considers that the following major risks should be attended to (there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future):

| Risk                                       | Risk Description  | Risk Management and Control Measures Intended to be Optimized  |
|--|---|--|
| Macro policy and market supply-demand risk | Dynamic adjustments are being made to real estate policies under the national top-level design, resulting in differentiated intensity and effectiveness of city-specific measures. The market has entered a stock-dominated stage, characterized by weak rebound momentum and significant uncertainty regarding the pace of recovery. | The Group will closely monitor policy developments and accurately assess market trends; focus on core cities and core locations to optimize its business presence across cities; determine production based on sales, make targeted investments and prudently plan its investment schedules. |

## REPORT OF RISK MANAGEMENT

| Risk  | Risk Description  | Risk Management and Control Measures Intended to be Optimized   |
|---|---|---|
| Inventory de-stocking and impairment risk         | With the implementation of the national "Good Housing" strategy, products that meet the new regulations will exert significant pressure on existing products under old regulations and with high land premiums, hindering de-stocking and potentially leading to capital tie-up; cutting price to clear inventory may trigger inventory impairment provisions and directly erode the Company's profit performance for the current period. | The Group will implement targeted marketing of "one project, one policy" to enhance inventory competitiveness and promote de-stocking; dynamically track net realizable value to reduce the impact of impairment on performance.  |
| Financial performance and capital management risk | Narrowing industry profit margins results in increasing pressure on achieving revenue and profit targets; sales revenue falling short of expectations and a tight financing environment may lead to cash flow constraints.  | The Group will strengthen budget management and strictly control costs and expenses; strictly control pricing practice and closely follow the market to ensure price realization; adhere to the principle of "cash priority", accelerate sales and broaden financing channels; optimize capital planning and management to ensure cash flow security. |

## REPORT OF RISK MANAGEMENT

| Risk                    | Risk Description   | Risk Management and Control Measures Intended to be optimized   |
|-------------------------|--|---|
| Business operation risk | Long-term held properties such as commercial and office buildings may face supply-demand imbalances, with declining rents and rising vacancy rates affecting operating cash flow and asset valuation.  | The Group will proactively optimize business segment mix and enhance operational capabilities; implement flexible rental strategies to stabilize occupancy rates; explore divestment channels such as asset securitization, and dynamically monitor risks of changes in asset valuation.  |
| Exchange rate risk      | When the companies which the Group held shares have foreign currency assets or liabilities, exchange rate fluctuation may result in loss that may indirectly affect the Group's financial performance. | The Group will arrange a reasonable match of assets and liabilities denominated in foreign currency to control foreign exchange exposure. The Group will pay close attention to information about foreign exchange market, and exchange experience in changes of the foreign exchange market and risk management with experienced experts in the foreign exchange industry. |

# INDEPENDENT AUDITOR'S REPORT



## To the members of Yuexiu Property Company Limited

(incorporated in Hong Kong with limited liability)

### OPINION

We have audited the consolidated financial statements of Yuexiu Property Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 106 to 223, which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of profit or loss, the consolidated statement of 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 Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b><i>Valuation of investment properties held by the Group</i></b></p> <p>Management has estimated the fair value of the Group's investment properties to be RMB17,127 million at 31 December 2025, with a revaluation gain for the year ended 31 December 2025 recorded in the consolidated statement of profit or loss of RMB84 million.</p> <p>Management has engaged independent external valuers to perform valuation of all the investment properties in order to support management's estimates. The valuations of investment properties are dependent on certain key assumptions that require significant management judgement, including market rents and capitalisation rate.</p> <p>Specific audit focus was placed on this area because the estimation of fair value was subject to high degree of estimation uncertainty. The inherent risk in relation to the valuations of investment properties was considered relatively higher due to the significant judgement and estimates involved in determination of fair value.</p> <p>The related disclosures for the valuation of investment properties held by the Group are included in notes 3 and 17 to the financial statements.</p> | <p>Our procedures in relation to management's valuation of investment properties included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the management's internal control and assessment process of the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;</li> <li>• Evaluating the independent external valuers' qualifications, expertise, competence, capabilities and objectivity;</li> <li>• Obtaining the valuation reports for all investment properties and assessing whether the valuation approach adopted was suitable for use in determining the fair value for the purpose of the financial statements;</li> <li>• Assessing, on a sample basis, the appropriateness of the key assumptions based on our knowledge of the property industry and the assistance from our internal valuation experts;</li> <li>• Checking, on a sample basis, the underlying data of area, tenancy term and occupancy against the supporting evidence and checking the mathematical accuracy of the valuations;</li> <li>• For investment properties valued under comparison method, comparing the market price with that of comparable properties with similar type, size and location; and</li> <li>• Assessing the adequacy of the disclosures related to the valuations of investment properties in the context of the applicable financial reporting framework.</li> </ul> |

## INDEPENDENT AUDITOR'S REPORT

**Key audit matter****How our audit addressed the key audit matter*****Net realisable value of properties under development and properties held for sale held by the Group***

The Group had properties under development and properties held for sale of RMB134,310 million and RMB57,905 million, respectively, as at 31 December 2025. Management assessed the carrying amounts according to the recoverable amount of these properties, taking into account the estimated costs to completion and estimated net sales value at prevailing market conditions. Write-down to net realisation value is made when the carrying amounts may not be realisable.

The assessment requires management judgement and estimates. The inherent risk in relation to assessment of net realisable value of properties under development and properties held for sale was considered relatively higher due to high degree of estimation uncertainty.

The related disclosures for the net realisable value of properties under development and properties held for sale held by the Group are included in notes 3, 22 and 23 to the financial statements.

Our procedures in relation to management's assessment on net realisable value of properties under development and properties held for sale included:

- Obtaining an understanding of and evaluating the internal controls over the assessment of net realisable value of properties under development and properties held for sale and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors;
- Evaluating management's assessment by comparing, on a sample basis, the estimated selling price less selling expenses and the estimated costs to completion used in the assessment with the price and cost data from recent transactions or available market information; Especially, assessing the reasonableness of estimated selling prices by comparing the management's estimated selling price to the recent average contracted selling price in the same project or the prevailing market price of comparable properties with similar type, size and location;
- Obtaining understanding from management and performing assessment on the latest status and development plans of the underlying property projects, such as budgeted estimated costs to completion approved by management;
- Checking management's adjustments to the underlying property projects if their carrying amounts were below net realisable value; and
- Assessing the adequacy of the disclosures related to impairment of properties under development and completed properties held for sale in the context of the applicable financial reporting framework.

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSAs 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.

## INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism 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.
- 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 consolidated 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.

## INDEPENDENT AUDITOR'S REPORT

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 Audit Committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is Hui Kin Fai, Stephen (practising certificate number: P04796).

**Ernst & Young**

*Certified Public Accountants*

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

31 March 2026

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

|   | Notes | 2025<br>RMB'000     | 2024<br>RMB'000 |
|---|-------|---------------------|-----------------|
| Revenue   | 5     | <b>86,457,288</b>   | 86,400,562      |
| Cost of sales   |       | <b>(79,708,919)</b> | (77,346,644)    |
| Gross profit  |       | <b>6,748,369</b>    | 9,053,918       |
| Other gains and losses  | 6     | <b>40,125</b>       | (1,395,268)     |
| Selling and marketing expenses  |       | <b>(2,810,894)</b>  | (2,718,573)     |
| Administrative expenses   |       | <b>(1,329,351)</b>  | (1,488,908)     |
| Operating profit  |       | <b>2,648,249</b>    | 3,451,169       |
| Finance income  | 7     | <b>699,179</b>      | 646,215         |
| Finance costs   | 8     | <b>(828,323)</b>    | (879,651)       |
| Share of (losses)/profits of  |       |                     |                 |
| – joint ventures  | 18    | <b>(416,957)</b>    | (43,318)        |
| – associates  | 19    | <b>1,218,875</b>    | 1,021,214       |
| Profit before taxation  |       | <b>3,321,023</b>    | 4,195,629       |
| Taxation  | 12    | <b>(1,542,678)</b>  | (2,730,508)     |
| Profit for the year   |       | <b>1,778,345</b>    | 1,465,121       |
| Attributable to:  |       |                     |                 |
| – Equity holders of the Company   |       | <b>55,062</b>       | 1,040,055       |
| – Non-controlling interests   |       | <b>1,723,283</b>    | 425,066         |
|   |       | <b>1,778,345</b>    | 1,465,121       |
| Earnings per share for profit attributable to equity holders<br>of the Company (expressed in RMB per share) |       |                     |                 |
| – Basic and diluted   | 14    | <b>0.0137</b>       | 0.2584          |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

|  | 2025<br>RMB'000  | 2024<br>RMB'000 |
|--|------------------|-----------------|
| Profit for the year  | <b>1,778,345</b> | 1,465,121       |
| Other comprehensive income:  |                  |                 |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:          |                  |                 |
| Exchange differences on translation of foreign operations  | <b>(29,441)</b>  | (46,481)        |
| Cash flow hedges   | <b>94,611</b>    | 84,366          |
| Share of other comprehensive income/(loss) of an associate accounted for using the equity method             | <b>42,204</b>    | (114,530)       |
| Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods       | <b>107,374</b>   | (76,645)        |
| Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:              |                  |                 |
| Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax | <b>(147)</b>     | (88,607)        |
| Other comprehensive income/(loss) for the year, net of tax   | <b>107,227</b>   | (165,252)       |
| Total comprehensive income for the year  | <b>1,885,572</b> | 1,299,869       |
| Attributable to:   |                  |                 |
| – Equity holders of the Company  | <b>162,338</b>   | 879,407         |
| – Non-controlling interests  | <b>1,723,234</b> | 420,462         |
|  | <b>1,885,572</b> | 1,299,869       |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

|  | Notes | 2025<br>RMB'000    | 2024<br>RMB'000 |
|--|-------|--------------------|-----------------|
| <b>NON-CURRENT ASSETS</b>  |       |                    |                 |
| Property, plant and equipment  | 15    | <b>3,066,810</b>   | 3,159,869       |
| Right-of-use assets  | 16    | <b>1,892,773</b>   | 1,829,855       |
| Investment properties  | 17    | <b>17,126,904</b>  | 17,029,312      |
| Intangible assets  | 21    | <b>388,277</b>     | 339,265         |
| Properties under development   | 22    | <b>7,886,324</b>   | 7,855,936       |
| Interests in joint ventures  | 18    | <b>5,791,049</b>   | 5,183,730       |
| Interests in associates  | 19    | <b>27,600,142</b>  | 26,251,482      |
| Financial assets at fair value through<br>other comprehensive income ("FVOCI") | 20    | <b>966,889</b>     | 967,085         |
| Derivative financial instruments   | 32    | —                  | 121,037         |
| Other receivables, prepayments and deposits                                    | 26    | <b>177,830</b>     | 165,478         |
| Time deposits and other restricted deposits                                    | 27    | <b>1,404,468</b>   | 2,293,280       |
| Deferred tax assets  | 33    | <b>5,757,590</b>   | 4,464,790       |
| <b>Total non-current assets</b>  |       | <b>72,059,056</b>  | 69,661,119      |
| <b>CURRENT ASSETS</b>  |       |                    |                 |
| Properties under development   | 22    | <b>126,423,671</b> | 179,813,083     |
| Properties held for sale   | 23    | <b>57,904,923</b>  | 45,139,394      |
| Contract costs   | 24    | <b>817,629</b>     | 1,445,157       |
| Prepayments for land use rights  |       | <b>4,832,007</b>   | 5,207,807       |
| Trade and notes receivables  | 25    | <b>1,515,676</b>   | 1,307,480       |
| Other receivables, prepayments and deposits                                    | 26    | <b>51,987,586</b>  | 52,904,540      |
| Derivative financial instruments   | 32    | <b>4,421</b>       | —               |
| Prepaid taxation   |       | <b>8,843,718</b>   | 7,218,435       |
| Time deposits  | 27    | <b>4,516</b>       | 467,260         |
| Cash and bank balances   | 27    | <b>45,351,667</b>  | 47,288,709      |
| <b>Total current assets</b>  |       | <b>297,685,814</b> | 340,791,865     |
| <b>CURRENT LIABILITIES</b>   |       |                    |                 |
| Trade and notes payables   | 28    | <b>2,917,782</b>   | 1,559,766       |
| Contract liabilities   | 29    | <b>63,058,337</b>  | 83,841,916      |
| Other payables and accruals  | 30    | <b>84,036,332</b>  | 106,075,477     |
| Borrowings   | 31    | <b>27,201,874</b>  | 23,268,833      |
| Lease liabilities  | 16    | <b>218,410</b>     | 225,687         |
| Derivative financial instruments   | 32    | <b>80,966</b>      | —               |
| Taxation payable   |       | <b>4,531,273</b>   | 5,542,978       |
| <b>Total current liabilities</b>   |       | <b>182,044,974</b> | 220,514,657     |
| <b>NET CURRENT ASSETS</b>  |       | <b>115,640,840</b> | 120,277,208     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                   |       | <b>187,699,896</b> | 189,938,327     |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

|   | Notes | 2025<br>RMB'000    | 2024<br>RMB'000 |
|---|-------|--------------------|-----------------|
| <b>NON-CURRENT LIABILITIES</b>                              |       |                    |                 |
| Borrowings  | 31    | <b>77,625,088</b>  | 80,619,909      |
| Lease liabilities   | 16    | <b>462,077</b>     | 562,024         |
| Deferred tax liabilities                                    | 33    | <b>3,693,574</b>   | 4,006,453       |
| Deferred income   |       | <b>56,063</b>      | 54,584          |
| Derivative financial instruments                            | 32    | <b>30,706</b>      | 9,038           |
| Other payables and accruals                                 | 30    | —                  | 607,151         |
| Total non-current liabilities                               |       | <b>81,867,508</b>  | 85,859,159      |
| Net assets  |       | <b>105,832,388</b> | 104,079,168     |
| <b>EQUITY</b>   |       |                    |                 |
| <b>Equity attributable to equity holders of the Company</b> |       |                    |                 |
| Share capital   | 34    | <b>25,545,008</b>  | 25,545,008      |
| Shares held under share award scheme                        | 35    | <b>(26,309)</b>    | (54,337)        |
| Other reserves  | 36    | <b>3,066,636</b>   | 2,619,419       |
| Retained earnings   | 36    | <b>26,231,925</b>  | 27,150,976      |
|   |       | <b>54,817,260</b>  | 55,261,066      |
| Non-controlling interests                                   |       | <b>51,015,128</b>  | 48,818,102      |
| Total equity  |       | <b>105,832,388</b> | 104,079,168     |

**Lin Zhaoyuan**  
Director

**Zhu Huisong**  
Director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

|   | Attributable to equity holders of the Company |                          |                     |                      |                  |                  |         |                   |            |                           |             |
|---|---|--------------------------|---------------------|----------------------|------------------|------------------|---------|-------------------|------------|---------------------------|-------------|
|   | Share capital                                 | Shares held              | Statutory reserves* | Exchange             | Financial        | Hedging reserve* | Others* | Retained earnings | Subtotal   | Non-controlling interests | Total       |
|   |   | under share award scheme |                     | fluctuation reserve* | assets at FVOCI* |                  |         |                   |            |                           |             |
| RMB'000   | RMB'000                                       | RMB'000                  | RMB'000             | RMB'000              | RMB'000          | RMB'000          | RMB'000 | RMB'000           | RMB'000    | RMB'000                   |             |
| At 31 December 2024   | 25,545,008                                    | (54,337)                 | 2,809,809           | (977,932)            | 537,141          | (87,809)         | 338,210 | 27,150,976        | 55,261,066 | 48,818,102                | 104,079,168 |
| Profit for the year   | —   | —                        | —                   | —                    | —                | —                | —       | 55,062            | 55,062     | 1,723,283                 | 1,778,345   |
| Other comprehensive (losses)/income for the year:   |   |                          |                     |                      |                  |                  |         |                   |            |                           |             |
| Currency translation differences  | —   | —                        | —                   | (29,441)             | —                | —                | —       | —                 | (29,441)   | —                         | (29,441)    |
| Change in fair value of financial assets at FVOCI, net of tax                             | —   | —                        | —                   | —                    | (98)             | —                | —       | —                 | (98)       | (49)                      | (147)       |
| Cash flow hedges  | —   | —                        | —                   | —                    | —                | 94,611           | —       | —                 | 94,611     | —                         | 94,611      |
| Share of other comprehensive income of an associate accounted for using the equity method | —   | —                        | —                   | —                    | —                | —                | 42,204  | —                 | 42,204     | —                         | 42,204      |
| Total comprehensive (loss)/income for the year  | —   | —                        | —                   | (29,441)             | (98)             | 94,611           | 42,204  | 55,062            | 162,338    | 1,723,234                 | 1,885,572   |
| Capital injection to subsidiaries   | —   | —                        | —                   | —                    | —                | —                | —       | —                 | —          | 5,879,382                 | 5,879,382   |
| Capital reduction of subsidiaries   | —   | —                        | —                   | —                    | —                | —                | —       | —                 | —          | (5,387,817)               | (5,387,817) |
| Non-controlling interests arising on acquisition of subsidiaries                          | —   | —                        | —                   | —                    | —                | —                | —       | —                 | —          | 3,066,861                 | 3,066,861   |
| Deregistration of subsidiaries  | —   | —                        | (25,000)            | —                    | —                | —                | —       | —                 | (25,000)   | (52,714)                  | (77,714)    |
| Transfer to appropriation   | —   | —                        | 364,941             | —                    | —                | —                | —       | (364,941)         | —          | —                         | —           |
| Deemed disposal of subsidiaries   | —   | —                        | —                   | —                    | —                | —                | —       | —                 | —          | (1,434,368)               | (1,434,368) |
| Vesting of shares (note 35)   | —   | 28,028                   | —                   | —                    | —                | —                | —       | —                 | 28,028     | —                         | 28,028      |
| Dividend paid   | —   | —                        | —                   | —                    | —                | —                | —       | (609,172)         | (609,172)  | (1,597,552)               | (2,206,724) |
| At 31 December 2025   | 25,545,008                                    | (26,309)                 | 3,149,750           | (1,007,373)          | 537,043          | 6,802            | 380,414 | 26,231,925        | 54,817,260 | 51,015,128                | 105,832,388 |

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

|   | Attributable to equity holders of the Company |  |                        |                                     |                                  |                     |                |                      |                     |                                  |                    |
|---|---|--|------------------------|-------------------------------------|----------------------------------|---------------------|----------------|----------------------|---------------------|----------------------------------|--------------------|
|   | Share capital<br>RMB'000                      | Shares held<br>under share<br>award scheme | Statutory<br>reserves* | Exchange<br>fluctuation<br>reserve* | Financial<br>assets<br>at FVOCI* | Hedging<br>reserve* | Others*        | Retained<br>earnings | Subtotal<br>RMB'000 | Non-<br>controlling<br>interests | Total<br>RMB'000   |
|   |   | RMB'000                                    |                        | RMB'000                             | RMB'000                          | RMB'000             |                | RMB'000              |                     | RMB'000                          |                    |
| At 31 December 2023   | 25,545,008                                    | (121,530)                                  | 2,787,731              | (931,451)                           | 621,144                          | (172,175)           | 452,740        | 27,447,438           | 55,628,905          | 46,579,875                       | 102,208,780        |
| Profit for the year   | —   | —  | —                      | —                                   | —                                | —                   | —              | 1,040,055            | 1,040,055           | 425,066                          | 1,465,121          |
| Other comprehensive (losses)/<br>income for the year:   |   |  |                        |                                     |                                  |                     |                |                      |                     |                                  |                    |
| Currency translation differences  | —   | —  | —                      | (46,481)                            | —                                | —                   | —              | —                    | (46,481)            | —                                | (46,481)           |
| Change in fair value of financial<br>assets at FVOCI, net of tax                              | —   | —  | —                      | —                                   | (22,659)                         | —                   | —              | —                    | (22,659)            | (1,375)                          | (24,034)           |
| Cash flow hedges  | —   | —  | —                      | —                                   | —                                | 84,366              | —              | —                    | 84,366              | —                                | 84,366             |
| Share of other comprehensive loss<br>of an associate accounted<br>for using the equity method | —   | —  | —                      | —                                   | —                                | —                   | (114,530)      | —                    | (114,530)           | —                                | (114,530)          |
| Others  | —   | —  | —                      | —                                   | (61,344)                         | —                   | —              | —                    | (61,344)            | (3,229)                          | (64,573)           |
| Total comprehensive (losses)/<br>income for the year  | —   | —  | —                      | (46,481)                            | (84,003)                         | 84,366              | (114,530)      | 1,040,055            | 879,407             | 420,462                          | 1,299,869          |
| Capital injection to subsidiaries   | —   | —  | —                      | —                                   | —                                | —                   | —              | —                    | —                   | 3,043,000                        | 3,043,000          |
| Capital reduction of a subsidiary   | —   | —  | —                      | —                                   | —                                | —                   | —              | —                    | —                   | (838,800)                        | (838,800)          |
| Transfer to appropriation   | —   | —  | 89,702                 | —                                   | —                                | —                   | —              | (89,702)             | —                   | —                                | —                  |
| Disposal of a subsidiary  | —   | —  | (67,624)               | —                                   | —                                | —                   | —              | —                    | (67,624)            | —                                | (67,624)           |
| Vesting of shares (note 35)   | —   | 67,193                                     | —                      | —                                   | —                                | —                   | —              | —                    | 67,193              | —                                | 67,193             |
| Dividend paid   | —   | —  | —                      | —                                   | —                                | —                   | —              | (1,246,815)          | (1,246,815)         | (386,435)                        | (1,633,250)        |
| At 31 December 2024   | <u>25,545,008</u>                             | <u>(54,337)</u>                            | <u>2,809,809</u>       | <u>(977,932)</u>                    | <u>537,141</u>                   | <u>(87,809)</u>     | <u>338,210</u> | <u>27,150,976</u>    | <u>55,261,066</u>   | <u>48,818,102</u>                | <u>104,079,168</u> |

\* These reserve accounts comprise the consolidated other reserves of RMB3,066,636,000 (2024: RMB2,619,419,000) in the consolidated statement of financial position.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

|   | Notes | 2025<br>RMB'000     | 2024<br>RMB'000 |
|---|-------|---------------------|-----------------|
| <b>Operating profit</b>   |       | <b>2,648,249</b>    | 3,451,169       |
| Adjustments for:  |       |                     |                 |
| Depreciation and amortisation   | 9     | <b>487,668</b>      | 538,851         |
| Amortisation of deferred revenue  |       | <b>(288)</b>        | (47,616)        |
| Fair value (gains)/losses on revaluation of investment properties held at the end of the year, net  | 6     | <b>(84,008)</b>     | 727,432         |
| Provision for impairment of properties under development and properties held for sale   | 9     | <b>1,566,766</b>    | 2,272,336       |
| Gain on disposal of property, plant and equipment   |       | <b>(4,627)</b>      | (2,782)         |
| Gain on acquisition of subsidiaries   |       | —                   | (40,200)        |
| Gain on disposal of a subsidiary  | 6     | —                   | (867,816)       |
| Impairment losses on long-term assets   | 6     | —                   | 1,627,577       |
| Net impairment losses on financial assets   |       | <b>24,502</b>       | 15,572          |
| Operating cash flows before movements in working capital  |       | <b>4,638,262</b>    | 7,674,523       |
| Decrease in properties under development, properties held for sale and prepayments for land use rights  |       | <b>38,468,219</b>   | 25,066,662      |
| Decrease/(increase) in contract costs   |       | <b>547,480</b>      | (303,324)       |
| (Increase)/decrease in trade and notes receivables, other receivables, prepayments and deposits, and (decrease)/increase in trade and note payables, contract liabilities, other payables and accrued charges |       | <b>(20,734,292)</b> | 535,784         |
| Net exchange difference for working capital   |       | <b>(108,813)</b>    | 87,567          |
| Net cash generated from operations  |       | <b>22,810,856</b>   | 33,061,212      |
| Interest received   |       | <b>551,317</b>      | 468,312         |
| Interest paid   |       | <b>(3,636,359)</b>  | (4,876,750)     |
| Chinese mainland taxation paid  |       | <b>(5,783,270)</b>  | (6,815,252)     |
| <b>Net cash flows from operating activities</b>   |       | <b>13,942,544</b>   | 21,837,522      |

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## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

|   | 2025<br>RMB'000    | 2024<br>RMB'000 |
|---|--------------------|-----------------|
| <b>Investing activities</b>   |                    |                 |
| Purchases of property, plant and equipment, investment properties and intangible assets | <b>(240,575)</b>   | (372,128)       |
| Proceeds from sales of property, plant and equipment                                    | <b>15,252</b>      | 8,456           |
| Proceeds from sale of investment properties   | —                  | 1,370           |
| Decrease/(increase) in charged bank deposits  | <b>4,733,712</b>   | (727,783)       |
| Decrease/(increase) in current portion of time deposits                                 | <b>462,744</b>     | (467,260)       |
| Decrease/(increase) in non-current portion of time deposits                             | <b>850,000</b>     | (2,230,000)     |
| Decrease/(increase) in other restricted deposits  | <b>38,812</b>      | (63,280)        |
| Acquisition of subsidiaries, net cash (paid)/received                                   | <b>(132,435)</b>   | 1,331,562       |
| Disposal of a subsidiary, net of cash disposed  | —                  | 990,007         |
| Deemed disposal of subsidiaries, net of cash disposed                                   | <b>(609,065)</b>   | —               |
| Acquisition of and capital injection in joint ventures and associates                   | <b>(3,308,808)</b> | (2,773,622)     |
| Receipt from/(payment to) joint ventures and associates                                 | <b>4,242,387</b>   | (511,609)       |
| Dividends received from associates  | <b>136,156</b>     | 222,947         |
| Capital reduction from joint ventures and associates                                    | <b>91,874</b>      | 322,762         |
| <b>Net cash flows from/(used in) investing activities</b>                               | <b>6,280,054</b>   | (4,268,578)     |

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

|  | Notes | 2025<br>RMB'000     | 2024<br>RMB'000 |
|--|-------|---------------------|-----------------|
| <b>Financing activities</b>  |       |                     |                 |
| Capital contribution from non-controlling interests  |       | <b>5,879,382</b>    | 3,043,000       |
| Capital reduction from non-controlling interests   |       | <b>(510,597)</b>    | —               |
| Dividends paid to equity holders of the Company  |       | <b>(609,172)</b>    | (1,246,815)     |
| Dividends paid to non-controlling interests  |       | <b>(138,149)</b>    | (129,444)       |
| (Decrease)/increase in balances with joint ventures and associates   |       | <b>(1,362,565)</b>  | 7,122,838       |
| Increase/(decrease) in balances with other related parties   |       | <b>1,853,117</b>    | (2,969,314)     |
| Decrease in balances with other non-controlling interests and related parties of non-controlling interests |       | <b>(6,803,634)</b>  | (3,286,428)     |
| Proceeds from bank borrowings  | 38(a) | <b>32,841,916</b>   | 29,420,256      |
| Repayments of bank borrowings  | 38(a) | <b>(41,638,043)</b> | (36,010,602)    |
| Proceeds from other borrowings   | 38(a) | <b>7,075,000</b>    | 9,678,153       |
| Repayments of other borrowings   | 38(a) | <b>(4,225,000)</b>  | (15,547,877)    |
| Repayments to external finance providers under supplier settlement scheme                                  | 38(a) | <b>(9,447,266)</b>  | (7,263,485)     |
| (Payments)/received for derivative financial instruments   | 38(a) | <b>(299)</b>        | 350,491         |
| Payments for lease liabilities   | 16(b) | <b>(252,690)</b>    | (282,184)       |
| <b>Net cash flows used in financing activities</b>   |       | <b>(17,338,000)</b> | (17,121,411)    |
| Increase in cash and cash equivalents  |       | <b>2,884,598</b>    | 447,533         |
| Cash and cash equivalents at the beginning of year   |       | <b>29,728,316</b>   | 29,265,254      |
| Exchange gains on cash and cash equivalents  |       | <b>(87,928)</b>     | 15,529          |
| <b>Cash and cash equivalents at the end of year</b>  |       | <b>32,524,986</b>   | 29,728,316      |
| Add: Charged bank deposits   | 27    | <b>12,826,681</b>   | 17,560,393      |
|  | 27    | <b>45,351,667</b>   | 47,288,709      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 1 GENERAL INFORMATION

Yuexiu Property Company Limited (the "Company") and its subsidiaries (together, the "Group") is principally engaged in development, selling and management of properties and holding of investment properties. The Group's operations are primarily conducted in Chinese mainland and Hong Kong.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Details of the Group's significant subsidiaries as at 31 December 2025 are set out on page 224 to 233.

## 2 ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

#### **Basis of consolidation**

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.1 BASIS OF PREPARATION (Continued)

#### Basis of consolidation (Continued)

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

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

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

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

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples which has had no significant impact on the Group's financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS**

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.

|  |  | Effective for<br>accounting periods<br>beginning on or after          |
|--|--|---|
| HKFRS 18   | <i>Presentation and Disclosure in Financial Statements</i>                                   | 1 January 2027  |
| HKFRS 19 and its amendments  | <i>Subsidiaries without Public Accountability: Disclosures</i>                               | 1 January 2027  |
| Amendments to HKFRS 9 and HKFRS 7                                    | <i>Amendments to the Classification and Measurement of Financial Instruments</i>             | 1 January 2026  |
| Amendments to HKFRS 9 and HKFRS 7                                    | <i>Contracts Referencing Nature-dependent Electricity</i>                                    | 1 January 2026  |
| Amendments to HKFRS 10 and HKAS 28                                   | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | No mandatory effective date yet determined but available for adoption |
| Amendments to HKAS 21  | <i>Translation to a Hyperinflationary Presentation Currency</i>                              | 1 January 2027  |
| <i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7                                 | 1 January 2026  |

The above new and amendments to existing standards and interpretation are effective for annual periods beginning on or after 1 January 2026 and have not been early applied in preparing these consolidated financial statements. Except for HKFRS 18, none of these is expected to have any significant effect on the consolidated financial statements of the Group.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES

#### 2.4.1 Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. 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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

#### 2.4.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.2 Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.3 Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.4 Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than properties under development, properties held for sale, investment properties, contract costs, prepaid taxation, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.5 Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;
  - (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 the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.6 Property, plant and equipment and depreciation**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal useful lives used for this purpose are as follows:

|  |                |
|--|----------------|
| Buildings  | 20 to 40 years |
| Leasehold improvements, furniture, fixtures and office equipment | 3 to 5 years   |
| Motor vehicles   | 5 years        |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.7 Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any resulting decrease in the carrying amount of the property is recognised in profit or loss. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

#### 2.4.8 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Each of the following intangible assets with finite life is stated at cost less any impairment losses and is amortised on the straight-line basis to write off the cost of each of these intangible assets over its respective estimated useful life of:

|                       |               |
|-----------------------|---------------|
| Customer relationship | 7 to 10 years |
| Software              | 2 to 10 years |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.9 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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:

|                   |                |
|-------------------|----------------|
| Land use rights   | 40 to 70 years |
| Leased properties | 1 to 14 years  |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.9 Leases (Continued)

##### ***Group as a lessee (Continued)***

- (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

##### ***Group as a lessor***

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.10 Investments and other financial assets*****Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.10 Investments and other financial assets (Continued)

##### ***Subsequent measurement (Continued)***

##### *Financial assets designated at fair value through other comprehensive income (equity investments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.11 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### 2.4.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### **General approach**

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.12 Impairment of financial assets (Continued)

##### **General approach (Continued)**

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

##### **Simplified approach**

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### 2.4.13 Financial liabilities

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, an amount due to the ultimate holding company, derivative financial instruments and interest-bearing bank and other borrowings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES (Continued)****2.4.13 Financial liabilities (Continued)*****Initial recognition and measurement (Continued)***

The Group classifies financial liabilities that arise from a supplier finance arrangement within other payables and accruals in the statement of financial position because based on the Group's assessment, the terms of the liabilities that are part of the supply chain finance arrangement are substantially different from the terms of trade and notes payables that are not part of the arrangement. The assessment has considered factors such as the commercial purpose, the nature and specific terms of the arrangement, as well as the credit terms in place with the financial institutions and suppliers. Therefore, cash flows related to liabilities arising from supplier finance arrangements that are classified in other payables and accruals in the statement of financial position are included in financing activities in the statement of cash flows.

***Subsequent measurement***

The subsequent measurement of financial liabilities depends on their classification as follows:

***Financial liabilities at amortised cost (trade and other payables, and borrowings)***

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

***Financial guarantee contracts***

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

**2.4.14 Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.15 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 2.4.16 Derivative financial instruments and hedge accounting

##### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as foreign currency forward contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.16 Derivative financial instruments and hedge accounting** (Continued)***Initial recognition and subsequent measurement*** (Continued)

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

*Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

**2.4.17 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.18 Properties under development and properties held for sale

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development projects is expected to complete beyond the normal operating cycle of the business.

#### 2.4.19 Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

#### 2.4.20 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.20 Income tax** (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.21 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

#### 2.4.22 Revenue recognition

##### ***Revenue from contracts with customers***

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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES (Continued)****2.4.22 Revenue recognition (Continued)*****Revenue from contracts with customers (Continued)***

## (a) Sales of properties

Under HKFRS 15, revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- Provides all the benefits received and consumed simultaneously by the customer; or
- Creates and 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.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

In determine the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

The Group has assessed that there is no enforceable right to payment from the property purchasers for performance completed to date. Revenue is recognised at a point in time when the purchaser obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

## (b) Property management income

Revenue from rendering of property management services is recognised over the scheduled period in which the related services are rendered.

## (c) Agency service revenue

Agency service revenue from property brokering is recognised when the relevant agreement becomes unconditional or irrevocable and there are no further performance obligations.

## (d) Decoration services

The Group provide decoration services related to interior renovation to customers. The Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.22 Revenue recognition (Continued)

##### ***Revenue from other sources***

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

#### 2.4.23 Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### 2.4.24 Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**2.4 MATERIAL ACCOUNTING POLICIES** (Continued)**2.4.25 Other employee benefits*****Pension schemes***

The Group operates a defined contribution scheme ("ORSO Scheme") for certain Hong Kong employees under the Occupational Retirement Schemes Ordinance. Contributions to the ORSO Scheme by the employer and employees are calculated at 5 percent to 20 percent and 5 percent respectively of the employees' basic salaries. The Group's contributions to the ORSO Scheme are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Subsidiaries of the Company in the Chinese mainland are required to participate in defined contribution retirement plans organised by the respective Provincial or Municipal Government, and make monthly contributions to the retirement plans in the range of 16 to 24 percent of the monthly salaries of the employees. The Group has no further obligations for the actual payment of pensions beyond its contributions.

**2.4.26 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**2.4.27 Events after the reporting period**

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### 2.4.28 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### 2.4.29 Foreign currencies

These financial statements are presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Renminbi at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### **Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### ***Consolidation***

Control is the basis for consolidation. Control exists when the Group is able to influence profitability of another company through its involvement and power over the operation of another company. To assess whether an entity has control over another entity involves significant judgement, management performs an assessment and considers if the current accounting treatments for its subsidiaries, associates and joint ventures are appropriate. Yuexiu Real Estate Investment Trust ("Yuexiu REIT") is accounted for as an associate since among other reasons, the Group only has significant influence on but no control over Yuexiu REIT. The key decisions of Yuexiu REIT are principally handled and monitored by an independent trustee and an asset management company.

The Group has no equity in and/or control over the independent trustee. Among other key factors, the Group does not have any power to control the appointment of directors of the asset management company of Yuexiu REIT, as all of the directors are nominated by the nomination committee, which is comprised of a majority of independent non-executive directors. Accordingly, the Group does not control Yuexiu REIT.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Judgements (Continued)

##### *Taxation*

The Group is subject to income tax primarily in Chinese mainland and Hong Kong. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference 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 it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Where the expectation is different from the original estimate, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimate is changed.

The Group has tax losses of RMB7,321,535,000 (2024: RMB8,371,143,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details on deferred taxes are disclosed in note 33 to the financial statements.

The Group is subject to land appreciation tax ("LAT") in Chinese mainland. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant Chinese mainland tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculations and payments with the tax authorities for certain property development projects. The final tax outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related LAT provision in the period in which such taxes are finalised with the tax authorities.

##### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)****Estimation uncertainty (Continued)*****Fair value of investment properties***

The best evidence of fair value is current prices in an active market for properties in the same location and condition and subject to similar lease and other contracts. In the absence of such information, the Group considers information from a variety of sources, including (i) by reference to independent valuations; (ii) current prices in an active market for properties of a different nature, condition and location (or subject to different leases or other contracts), adjusted to reflect those differences; (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices; and (iv) 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 rates 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 cash flows.

***Net realisable value of properties under development and properties held for sale***

The Group writes down properties under development and properties held for sale to net realisable value based on assessment of the realisability of properties under development and properties held for sale which takes into account cost to completion based on past experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down properties under development and properties held for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of properties under development and properties held for sale is adjusted in the period in which such estimate is changed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4 OPERATING SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company. Management determines the operating segments based on the Group's internal reports, which are then submitted to the executive directors for performance assessment and resources allocation.

The executive directors consider the business by nature of business activities and assess the performance of property development, property management, property investment and others.

The Group's operating and reportable segments under HKFRS 8 and the types of turnover are as follows:

|                      |   |
|----------------------|---|
| Property development | Sales of property development units                           |
| Property management  | Revenue from provision of property management services        |
| Property investment  | Property rental income  |
| Others               | Revenue from real estate agency and decoration services, etc. |

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the executive directors is measured in a manner consistent with that in the consolidated financial statements.

Total reportable segment assets excluded deferred tax assets, prepaid taxation and corporate assets. Corporate assets are not directly attributable to segments.

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4 OPERATING SEGMENT INFORMATION (Continued)

|   | Property<br>development<br>RMB'000 | Property<br>management<br>RMB'000 | Property<br>investment<br>RMB'000 | Others<br>RMB'000 | Group<br>RMB'000   |
|---|------------------------------------|-----------------------------------|-----------------------------------|-------------------|--------------------|
| Year ended 31 December 2025                         |                                    |                                   |                                   |                   |                    |
| Revenue   | 79,188,034                         | 3,901,890                         | 711,159                           | 9,846,721         | 93,647,804         |
| Inter-segment revenue                               | —                                  | (775,122)                         | (205,646)                         | (6,209,748)       | (7,190,516)        |
| Revenue from external customers                     | <u>79,188,034</u>                  | <u>3,126,768</u>                  | <u>505,513</u>                    | <u>3,636,973</u>  | <u>86,457,288</u>  |
| Segment results                                     | <u>2,085,010</u>                   | <u>206,667</u>                    | <u>347,112</u>                    | <u>89,659</u>     | <u>2,728,448</u>   |
| Depreciation and amortisation                       | <u>(194,033)</u>                   | <u>(96,899)</u>                   | <u>—</u>                          | <u>(196,736)</u>  | <u>(487,668)</u>   |
| Gains on revaluation of investment properties, net  | <u>—</u>                           | <u>—</u>                          | <u>84,008</u>                     | <u>—</u>          | <u>84,008</u>      |
| Share of (losses)/profits of:                       |                                    |                                   |                                   |                   |                    |
| – joint ventures                                    | <u>(396,099)</u>                   | <u>1,264</u>                      | <u>(22,075)</u>                   | <u>(47)</u>       | <u>(416,957)</u>   |
| – associates  | <u>1,234,959</u>                   | <u>—</u>                          | <u>(34,491)</u>                   | <u>18,407</u>     | <u>1,218,875</u>   |
| Year ended 31 December 2024                         |                                    |                                   |                                   |                   |                    |
| Revenue   | 80,618,939                         | 3,868,152                         | 807,750                           | 6,830,831         | 92,125,672         |
| Inter-segment revenue                               | —                                  | (902,171)                         | (139,917)                         | (4,683,022)       | (5,725,110)        |
| Revenue from external customers                     | <u>80,618,939</u>                  | <u>2,965,981</u>                  | <u>667,833</u>                    | <u>2,147,809</u>  | <u>86,400,562</u>  |
| Segment results                                     | <u>2,751,220</u>                   | <u>213,351</u>                    | <u>(322,394)</u>                  | <u>(47,074)</u>   | <u>2,595,103</u>   |
| Depreciation and amortisation                       | <u>(247,814)</u>                   | <u>(105,443)</u>                  | <u>—</u>                          | <u>(185,594)</u>  | <u>(538,851)</u>   |
| Losses on revaluation of investment properties, net | <u>—</u>                           | <u>—</u>                          | <u>(727,432)</u>                  | <u>—</u>          | <u>(727,432)</u>   |
| Impairment losses on long-term assets               | <u>(1,390,711)</u>                 | <u>(236,866)</u>                  | <u>—</u>                          | <u>—</u>          | <u>(1,627,577)</u> |
| Share of profits/(losses) of:                       |                                    |                                   |                                   |                   |                    |
| – joint ventures                                    | <u>13,392</u>                      | <u>961</u>                        | <u>—</u>                          | <u>(57,671)</u>   | <u>(43,318)</u>    |
| – associates  | <u>1,059,961</u>                   | <u>—</u>                          | <u>(62,056)</u>                   | <u>23,309</u>     | <u>1,021,214</u>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4 OPERATING SEGMENT INFORMATION (Continued)

|  | Property<br>development<br>RMB'000 | Property<br>management<br>RMB'000 | Property<br>investment<br>RMB'000 | Others<br>RMB'000 | Group<br>RMB'000   |
|--|------------------------------------|-----------------------------------|-----------------------------------|-------------------|--------------------|
| As at 31 December 2025                     |                                    |                                   |                                   |                   |                    |
| Total reportable segments' assets          | <u>310,726,353</u>                 | <u>6,469,137</u>                  | <u>25,191,545</u>                 | <u>5,339,193</u>  | <u>347,726,228</u> |
| Total reportable segments' assets include: |                                    |                                   |                                   |                   |                    |
| Additions to non-current assets (note)     | <u>239,675</u>                     | <u>53,072</u>                     | <u>81,022</u>                     | <u>158,511</u>    | <u>532,280</u>     |
| As at 31 December 2024                     |                                    |                                   |                                   |                   |                    |
| Total reportable segments' assets          | <u>361,895,119</u>                 | <u>6,231,019</u>                  | <u>23,095,523</u>                 | <u>6,845,712</u>  | <u>398,067,373</u> |
| Total reportable segments' assets include: |                                    |                                   |                                   |                   |                    |
| Additions to non-current assets (note)     | <u>151,095</u>                     | <u>99,576</u>                     | <u>4,398,040</u>                  | <u>205,074</u>    | <u>4,853,785</u>   |

Note: Non-current assets represent non-current assets other than properties under development, derivative financial instruments, interests in joint ventures, interests in associates, financial assets at FVOCI, goodwill included in intangible assets, deferred tax assets, non-current portion of other receivables, prepayments and deposits, and non-current portion of time deposits and other restricted deposits.

A reconciliation of total segment results to profit before taxation is provided as follows:

|  | 2025<br>RMB'000  | 2024<br>RMB'000 |
|--|------------------|-----------------|
| Segment results  | <b>2,728,448</b> | 2,595,103       |
| Unallocated operating costs (note)   | <b>(36,316)</b>  | (103,675)       |
| Other gains and losses (excluding impairment losses of long-term assets and gains/(losses) on revaluation of investment properties held at the end of the year, net) | <b>(43,883)</b>  | 959,741         |
| Operating profit   | <b>2,648,249</b> | 3,451,169       |
| Finance income (note 7)  | <b>699,179</b>   | 646,215         |
| Finance costs (note 8)   | <b>(828,323)</b> | (879,651)       |
| Share of (losses)/profits of:  |                  |                 |
| – joint ventures (note 18)   | <b>(416,957)</b> | (43,318)        |
| – associates (note 19)   | <b>1,218,875</b> | 1,021,214       |
| Profit before taxation   | <b>3,321,023</b> | 4,195,629       |

Note: Unallocated operating costs include mainly corporate staff salaries and other operating expenses of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4 OPERATING SEGMENT INFORMATION (Continued)

A reconciliation of reportable segments' assets to total assets is provided as follows:

|                                   | 2025<br>RMB'000    | 2024<br>RMB'000 |
|-----------------------------------|--------------------|-----------------|
| Total reportable segments' assets | <b>347,726,228</b> | 398,067,373     |
| Deferred tax assets (note 33)     | <b>5,757,590</b>   | 4,464,790       |
| Prepaid taxation                  | <b>8,843,718</b>   | 7,218,435       |
| Corporate assets (note)           | <b>7,417,334</b>   | 702,386         |
| Total assets                      | <b>369,744,870</b> | 410,452,984     |

Note: Corporate assets represent property, plant and equipment, intangible assets, right-of-use asset, other receivables and cash and bank balances of the Company.

No geographical segment analysis is shown as more than 90% of the Group's revenue are derived from activities in and from customers located in Chinese mainland and more than 90% of the carrying values of the Group's non-current assets excluding deferred income tax are situated in Chinese mainland.

For the year ended 31 December 2025, the Group does not have any single customer with the transaction value over 10% of the Group's total external sales (2024: none).

## 5 REVENUE

|  | 2025<br>RMB'000   | 2024<br>RMB'000 |
|--|-------------------|-----------------|
| <i>Revenue from contracts with customers</i> |                   |                 |
| Property development                         | <b>79,188,034</b> | 80,618,939      |
| Property management                          | <b>3,126,768</b>  | 2,965,981       |
| Others                                       | <b>3,636,973</b>  | 2,147,809       |
|  | <b>85,951,775</b> | 85,732,729      |
| <i>Revenue from other sources</i>            |                   |                 |
| Property investment                          | <b>505,513</b>    | 667,833         |
|  | <b>86,457,288</b> | 86,400,562      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 5 REVENUE (Continued)

Revenue from contracts with customers:

## For the year ended 31 December 2025

| Segments                                       | Property<br>development<br>RMB'000 | Property<br>management<br>RMB'000 | Others<br>RMB'000 | Group<br>RMB'000  |
|--|------------------------------------|-----------------------------------|-------------------|-------------------|
| Types of goods or services                     |                                    |                                   |                   |                   |
| Sale of property development                   | 79,188,034                         | —                                 | —                 | 79,188,034        |
| Property management service                    | —                                  | 3,126,768                         | —                 | 3,126,768         |
| Others   | —                                  | —                                 | 3,636,973         | 3,636,973         |
| Total revenue from contracts<br>with customers | <u>79,188,034</u>                  | <u>3,126,768</u>                  | <u>3,636,973</u>  | <u>85,951,775</u> |
| Timing of revenue recognition                  |                                    |                                   |                   |                   |
| Recognised at a point in time                  | 79,188,034                         | 507,176                           | 2,723,018         | 82,418,228        |
| Recognised over time                           | —                                  | 2,619,592                         | 913,955           | 3,533,547         |
| Total revenue from contracts<br>with customers | <u>79,188,034</u>                  | <u>3,126,768</u>                  | <u>3,636,973</u>  | <u>85,951,775</u> |

## For the year ended 31 December 2024

| Segments                                       | Property<br>development<br>RMB'000 | Property<br>management<br>RMB'000 | Others<br>RMB'000 | Group<br>RMB'000  |
|--|------------------------------------|-----------------------------------|-------------------|-------------------|
| Types of goods or services                     |                                    |                                   |                   |                   |
| Sale of property development                   | 80,618,939                         | —                                 | —                 | 80,618,939        |
| Property management service                    | —                                  | 2,965,981                         | —                 | 2,965,981         |
| Others   | —                                  | —                                 | 2,147,809         | 2,147,809         |
| Total revenue from contracts<br>with customers | <u>80,618,939</u>                  | <u>2,965,981</u>                  | <u>2,147,809</u>  | <u>85,732,729</u> |
| Timing of revenue recognition                  |                                    |                                   |                   |                   |
| Recognised at a point in time                  | 80,618,939                         | 531,526                           | 1,448,746         | 82,599,211        |
| Recognised over time                           | —                                  | 2,434,455                         | 699,063           | 3,133,518         |
| Total revenue from contracts<br>with customers | <u>80,618,939</u>                  | <u>2,965,981</u>                  | <u>2,147,809</u>  | <u>85,732,729</u> |

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of sales of properties as at 31 December 2025 amounted to RMB82,086,118,699 (2024: RMB102,388,661,115) are expected to be recognised within three years. The amounts do not include variable consideration which is constrained.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 6 OTHER GAINS AND LOSSES

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Gains/(losses) on revaluation of investment properties held at the end of the year, net | <b>84,008</b>   | (727,432)       |
| Gain on disposal of the Guangzhou ICC project   | —               | 867,816         |
| Impairment losses of long-term assets   | —               | (1,627,577)     |
| Other (losses)/gains, net   | <b>(43,883)</b> | 91,925          |
|   | <b>40,125</b>   | (1,395,268)     |

## 7 FINANCE INCOME

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Interest income from bank deposits   | <b>313,740</b>  | 475,842         |
| Interest income from loans to related parties (excluding bank deposits) (note 43(b))           | <b>338,454</b>  | 158,931         |
| Interest income on amount due from non-controlling interest ("NCI") and related parties of NCI | <b>44,842</b>   | 10,853          |
| Other interest income  | <b>2,143</b>    | 589             |
|  | <b>699,179</b>  | 646,215         |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 8 FINANCE COSTS

|  | 2025<br>RMB'000    | 2024<br>RMB'000 |
|--|--------------------|-----------------|
| Interest on bank borrowings and overdrafts   | <b>1,682,924</b>   | 2,215,043       |
| Interest on other borrowings   | <b>1,573,605</b>   | 1,963,657       |
| Interest on amounts due to related parties (note 43(b))  | <b>235,596</b>     | 489,386         |
| Interest on amounts due to NCI and related parties of NCI  | <b>103,265</b>     | 264,263         |
| Interest expense on lease liabilities (note 16(b))   | <b>21,805</b>      | 29,785          |
| Net fair value losses/(gains) on derivative financial instruments (note 32)  | <b>34,847</b>      | (91,791)        |
| Net foreign exchange losses/(gains)  | <b>64,763</b>      | (29,216)        |
| Total borrowing costs incurred   | <b>3,716,805</b>   | 4,841,127       |
| Less: amount capitalised as investment properties, properties under development and property, plant and equipment (note) | <b>(2,888,482)</b> | (3,961,476)     |
|  | <b>828,323</b>     | 879,651         |

Note: Borrowing costs capitalised during the year are calculated by applying a weighted average interest rate of 2.94 percent per annum (2024: 3.56 percent per annum).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 9 EXPENSES BY NATURE

Cost of sales, selling and marketing expenses, and administrative expenses include the following:

|  | 2025<br>RMB'000   | 2024<br>RMB'000 |
|--|-------------------|-----------------|
| Cost of properties sold included in cost of sales  | <b>76,646,456</b> | 73,195,257      |
| Selling and promotion expenses   | <b>2,775,050</b>  | 2,706,373       |
| Other tax and surcharge  | <b>357,378</b>    | 456,056         |
| Direct operating expenses arising from investment properties   | <b>223,913</b>    | 245,923         |
| Provision for impairment of properties under development and properties held for sale  | <b>1,566,766</b>  | 2,272,336       |
| Expense related to short-term leases (note 16(c))  | <b>90,844</b>     | 67,165          |
| Depreciation of property, plant and equipment (note 15)  | <b>192,640</b>    | 191,198         |
| Depreciation of right-of-use assets (note 16(a))   | <b>243,571</b>    | 293,968         |
| Amortisation of intangible assets (note 21)  | <b>51,457</b>     | 53,685          |
| Employee benefit expense (excluding directors' and chief executive's remuneration (note 10)):  |                   |                 |
| Wages, salaries  | <b>2,944,549</b>  | 3,052,373       |
| Pension scheme contribution  | <b>221,396</b>    | 211,446         |
|  | <b>3,165,945</b>  | 3,263,819       |
| Less: amount capitalised in properties under development, investment properties under construction and property, plant and equipment | <b>(864,261)</b>  | (1,123,387)     |
|  | <b>2,301,684</b>  | 2,140,432       |
| Auditor's remuneration   |                   |                 |
| – Audit services   | <b>4,640</b>      | 4,370           |
| – Non-audit services   | <b>4,199</b>      | 3,707           |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2025

**9 EXPENSES BY NATURE** (Continued)**Pension scheme arrangements**

The Group operates a defined contribution scheme ("ORSO Scheme") for certain Hong Kong employees under the Occupational Retirement Schemes Ordinance. Contributions to the ORSO Scheme by the employer and employees are calculated at 5 percent to 20 percent and 5 percent respectively of the employees' basic salaries. The Group's contributions to the ORSO Scheme are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

The Group also participates in the Mandatory Provident Fund Scheme ("MPF Scheme") for other Hong Kong employees. Under the MPF Scheme, each of the Group and its employees makes monthly contributions to the scheme at 5 percent of the employee's relevant income, as defined in the Mandatory Provident Fund Scheme Ordinance. Both the Group's and the employee's contributions are subject to a cap of HKD1,500 (before 1 June 2014: HKD1,250) per month and contributions thereafter are voluntary. The contributions under the MPF Scheme are fully and immediately vested in the employees as accrued benefits once they are paid.

Subsidiaries of the Company in Chinese mainland are required to participate in defined contribution retirement plans organised by the respective Provincial or Municipal Government, and make monthly contributions to the retirement plans in the range of 16 to 24 percent of the monthly salaries of the employees. The Group has no further obligations for the actual payment of pensions beyond its contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

There are no forfeited contributions for both years presented. During the year ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 10 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Directors' and senior management's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Fees                                      | 1,804           | 1,773           |
| Other emoluments:                         |                 |                 |
| Salaries, allowances and benefits in kind | 3,614           | 3,749           |
| Performance related bonuses               | 1,773           | 3,695           |
| Pension scheme contributions              | 240             | 258             |
| Subtotal                                  | 5,627           | 7,702           |
| Total                                     | 7,431           | 9,475           |

The remuneration of every director is set out below:

## 31 December 2025

| Name of director       | Discretionary   |                     |                                  |                             |                                 | Total<br>RMB'000 |
|------------------------|-----------------|---------------------|----------------------------------|-----------------------------|---------------------------------|------------------|
|                        | Fees<br>RMB'000 | Salaries<br>RMB'000 | bonuses<br>(note (i))<br>RMB'000 | Pension<br>costs<br>RMB'000 | Housing<br>allowance<br>RMB'000 |                  |
| LIN Zhaoyuan (note(a)) | —               | —                   | —                                | —                           | —                               | —                |
| ZHU Huisong            | —               | 1,750               | 954                              | 120                         | 57                              | 2,881            |
| JIANG Guoxiong         | —               | 1,750               | 819                              | 120                         | 57                              | 2,746            |
| HE Yuping (note(a))    | —               | —                   | —                                | —                           | —                               | —                |
| CHEN Jing (note(a))    | —               | —                   | —                                | —                           | —                               | —                |
| LIU Yan (note(a))      | —               | —                   | —                                | —                           | —                               | —                |
| ZHANG Yibing           | 302             | —                   | —                                | —                           | —                               | 302              |
| SU Junjie (note(b))    | —               | —                   | —                                | —                           | —                               | —                |
| YU Lup Fat Joseph      | 431             | —                   | —                                | —                           | —                               | 431              |
| LEE Ka Lun             | 357             | —                   | —                                | —                           | —                               | 357              |
| LAU Hon Chuen Ambrose  | 357             | —                   | —                                | —                           | —                               | 357              |
| CHEUNG Kin Sang        | 357             | —                   | —                                | —                           | —                               | 357              |
| Total                  | 1,804           | 3,500               | 1,773                            | 240                         | 114                             | 7,431            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 10 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (Continued)

Notes:

- (a) The emoluments of Mr. Lin Zhaoyuan, Mr. He Yuping, Ms. Chen Jing and Ms. Liu Yan in relation to their services rendered for the Group for the year ended 31 December 2025 were borne by related parties of the Group. Their emoluments were not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.
- (b) Mr. Su Junjie was appointed as an independent non-executive director on 20 September 2024. Mr. Su Junjie did not receive any emolument under the appointment for serving as a non-executive director.

31 December 2024

| Name of director      | Fees<br>RMB'000 | Salaries<br>RMB'000 | Discretionary                    | Pension costs<br>RMB'000 | Housing<br>allowance<br>RMB'000 | Total<br>RMB'000 |
|-----------------------|-----------------|---------------------|----------------------------------|--------------------------|---------------------------------|------------------|
|                       |                 |                     | bonuses<br>(note (i))<br>RMB'000 |                          |                                 |                  |
| LIN Zhaoyuan          | —               | —                   | —                                | —                        | —                               | —                |
| ZHU Huisong           | —               | 1,750               | 1,988                            | 120                      | 56                              | 3,914            |
| JIANG Guoxiong        | —               | 1,286               | 1,707                            | 98                       | 56                              | 3,147            |
| HE Yuping             | —               | —                   | —                                | —                        | —                               | —                |
| CHEN Jing             | —               | —                   | —                                | —                        | —                               | —                |
| LIU Yan               | —               | —                   | —                                | —                        | —                               | —                |
| ZHANG Yibing          | 297             | —                   | —                                | —                        | —                               | 297              |
| SU Junjie             | —               | —                   | —                                | —                        | —                               | —                |
| YU Lup Fat Joseph     | 423             | —                   | —                                | —                        | —                               | 423              |
| LEE Ka Lun            | 351             | —                   | —                                | —                        | —                               | 351              |
| LAU Hon Chuen Ambrose | 351             | —                   | —                                | —                        | —                               | 351              |
| CHEUNG Kin Sang       | 351             | —                   | —                                | —                        | —                               | 351              |
| LIN Feng              | —               | 583                 | —                                | 40                       | 18                              | 641              |
| Total                 | 1,773           | 3,619               | 3,695                            | 258                      | 130                             | 9,475            |

Note:

- (i) Discretionary bonuses are determined by the Group's financial performance.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**10 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION** (Continued)**(a) Directors' termination benefits**

During the year, no payments or benefits in respect of termination of directors' services were paid or payable, directly or indirectly, to the directors (2024: Nil).

**(b) Consideration provided to third parties for making available directors' services**

During the year, no consideration was provided to or receivable by third parties for making available directors' services (2024: Nil).

**(c) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**

During the year, there were no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2024: Nil).

**(d) Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Company'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).

No directors waived emoluments in respect of the year ended 31 December 2025 (2024: Nil). No emoluments were paid or payable by the Group to any director as an inducement to join or upon joining the Group, or as compensation for loss of office for both years presented.

**11 FIVE HIGHEST PAID EMPLOYEES**

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included two (2024: two) directors, details of whose emoluments are set out in note 10 above. Details of the emoluments for the year of the remaining three (2024: three) highest paid employees who are neither a director nor senior management of the Company are as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Salaries, allowances and benefits in kind | 4,177           | 3,889           |
| Discretionary related bonuses             | 2,713           | 5,348           |
| Pension costs                             | 289             | 281             |
| Housing allowance                         | 171             | 168             |
| Estimated money value of other benefits   | —               | 1,505           |
|   | <b>7,350</b>    | <b>11,191</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**11 FIVE HIGHEST PAID EMPLOYEES** (Continued)

The emoluments of the five highest paid individuals fell within the following bands:

|                             | Number of individuals |          |
|-----------------------------|-----------------------|----------|
|                             | 2025                  | 2024     |
| Emolument bands (in HKD)    |                       |          |
| HKD2,500,001 – HKD3,000,000 | 4                     | —        |
| HKD3,000,001 – HKD3,500,000 | 1                     | 1        |
| HKD3,500,001 – HKD4,000,000 | —                     | —        |
| HKD4,000,001 – HKD4,500,000 | —                     | 4        |
|                             | <b>5</b>              | <b>5</b> |

**12 TAXATION**

- (a) Hong Kong profits tax has been provided at the rate of 16.5 percent (2024: 16.5 percent) on the estimated assessable profit for the year.
- (b) Chinese mainland enterprise income taxation is provided on the profit of the Group's subsidiaries, associates and joint ventures in Chinese mainland at the rate of 25 percent (2024: 25 percent), except for certain subsidiaries which enjoy a preferential income tax rate.

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates of 5 percent or 10 percent.

- (c) During the year, Chinese mainland land appreciation tax is levied at progressive rates ranging from 30 percent to 60 percent (2024: 30 percent to 60 percent) on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including costs of land, development and construction.
- (d) The amount of taxation charged to the consolidated statement of profit or loss comprises:

|  | 2025             | 2024             |
|--|------------------|------------------|
|  | RMB'000          | RMB'000          |
| Current taxation   |                  |                  |
| China enterprise income tax and corporate withholding income tax | 2,637,691        | 3,533,693        |
| Chinese mainland land appreciation tax                           | 510,617          | 1,434,868        |
|  | <b>3,148,308</b> | <b>4,968,561</b> |
| Deferred taxation (Note 33)                                      | (1,605,630)      | (2,238,053)      |
|  | <b>1,542,678</b> | <b>2,730,508</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 12 TAXATION (Continued)

- (e) The taxation on the Group's profit before taxation less share of profits and losses of associates and joint ventures differs from the theoretical amount that would arise using the enterprise income tax rate of Chinese mainland, where majority of the Group's operations were carried out, is as follows:

|   | 2025<br>RMB'000  | 2024<br>RMB'000 |
|---|------------------|-----------------|
| Profit before taxation less share of profit/(losses) of associates and joint ventures       | <b>2,519,105</b> | 3,217,733       |
| Calculated at Chinese mainland enterprise income tax rate of 25 percent (2024: 25 percent)  | <b>629,776</b>   | 804,433         |
| Effect of different taxation rates  | <b>123,576</b>   | 6,921           |
| Income not subject to taxation  | <b>(2,991)</b>   | (2,570)         |
| Expenses not deductible for taxation purposes   | <b>82,480</b>    | 383,304         |
| Net effect of tax loss not recognised and utilisation of previously unrecognised tax losses | <b>306,566</b>   | 473,920         |
| Effect of land appreciation tax deductible for calculation of income tax purposes           | <b>(127,654)</b> | (361,271)       |
| Corporate withholding income tax  | <b>20,308</b>    | (19,313)        |
|   | <b>1,032,061</b> | 1,285,424       |
| Land appreciation tax   | <b>510,617</b>   | 1,445,084       |
| Taxation charges  | <b>1,542,678</b> | 2,730,508       |

- (f) The tax charges relating to components of other comprehensive income are as follows:

|  | 2025         |             |              | 2024       |             |           |
|--|--------------|-------------|--------------|------------|-------------|-----------|
|  | Before tax   | Tax charges | After tax    | Before tax | Tax charges | After tax |
| Fair value (losses)/gains of financial assets at FVOCI | <b>(196)</b> | <b>49</b>   | <b>(147)</b> | (32,045)   | 8,011       | (24,034)  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 13 DIVIDENDS

The Board resolved not to declare final dividend for the year ended 31 December 2025.

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| <b>Cash dividends</b>  |                 |                 |
| Interim, paid, of HKD0.166 equivalent to RMB0.151 (2024: HKD0.189 equivalent to RMB0.173) per ordinary share | 607,834         | 696,393         |
| Final, proposed, of Nil (2024: Nil) per ordinary share   | —               | —               |
|  | <b>607,834</b>  | <b>696,393</b>  |

The exchange rates used to translate the above interim dividends per share from HKD to RMB were the average of central parity rates announced by the People's Bank of China for the last five consecutive business days preceding the dates of dividend resolved/proposed by the Board.

## 14 EARNINGS PER SHARE

**Basic**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding during the year.

|  | 2025      | 2024      |
|--|-----------|-----------|
| Profit attributable to equity holders of the Company (RMB'000) | 55,062    | 1,040,055 |
| Weighted average number of ordinary shares outstanding ('000)  | 4,025,393 | 4,025,393 |
| Basic earnings per share (RMB)                                 | 0.0137    | 0.2584    |

**Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since there were no dilutive potential ordinary shares during the year, diluted earnings per share is equal to basic earnings per share (2024: same).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 15 PROPERTY, PLANT AND EQUIPMENT

|                                 | Leasehold improvements, furniture, fixtures and office equipment |  |                                    |                              | Total<br>RMB'000 |
|---------------------------------|--|--|------------------------------------|------------------------------|------------------|
|                                 | Buildings<br>RMB'000   | Construction<br>in progress<br>RMB'000 | and office<br>equipment<br>RMB'000 | Motor<br>vehicles<br>RMB'000 |                  |
| Year ended 31 December 2025     |  |  |                                    |                              |                  |
| Opening net book amount         | 1,751,476  | 899,581                                | 504,235                            | 4,577                        | 3,159,869        |
| Additions                       | 82,998   | 36,592                                 | 33,072                             | 6,297                        | 158,959          |
| Cost adjustments, net           | (42,401)   | —                                      | —                                  | —                            | (42,401)         |
| Disposals                       | (2,581)  | —                                      | (7,536)                            | (508)                        | (10,625)         |
| Deemed disposal of subsidiaries | —  | —                                      | (5,541)                            | —                            | (5,541)          |
| Transfer                        | 1,100,148  | (1,100,148)                            | —                                  | —                            | —                |
| Depreciation (note 9)           | (103,811)  | —                                      | (86,820)                           | (2,009)                      | (192,640)        |
| Exchange differences            | (667)  | —                                      | (144)                              | —                            | (811)            |
| Impairment                      | (185,627)  | 185,627                                | —                                  | —                            | —                |
| Closing net book amount         | <u>2,599,535</u>   | <u>21,652</u>                          | <u>437,266</u>                     | <u>8,357</u>                 | <u>3,066,810</u> |
| At 31 December 2025             |  |  |                                    |                              |                  |
| Cost                            | 3,519,026  | 727,488                                | 809,159                            | 39,037                       | 5,094,710        |
| Accumulated depreciation        | (620,012)  | —                                      | (371,893)                          | (30,680)                     | (1,022,585)      |
| Impairment                      | (299,479)  | (705,836)                              | —                                  | —                            | (1,005,315)      |
| Net book amount                 | <u>2,599,535</u>   | <u>21,652</u>                          | <u>437,266</u>                     | <u>8,357</u>                 | <u>3,066,810</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 15 PROPERTY, PLANT AND EQUIPMENT (Continued)

|                             | Buildings<br>RMB'000 | Construction<br>in progress<br>RMB'000 | Leasehold<br>improvements,<br>furniture,<br>fixtures<br>and office<br>equipment<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Total<br>RMB'000 |
|-----------------------------|----------------------|--|--|------------------------------|------------------|
| Year ended 31 December 2024 |                      |  |  |                              |                  |
| Opening net book amount     | 1,586,275            | 856,972                                | 353,665  | 5,159                        | 2,802,071        |
| Additions                   | 86,396               | —                                      | 76,677   | 3,018                        | 166,091          |
| Disposals                   | —                    | —                                      | (4,919)  | (755)                        | (5,674)          |
| Transfer                    | 295,237              | 934,072                                | 162,915  | —                            | 1,392,224        |
| Depreciation (note 9)       | (103,590)            | —                                      | (84,763)   | (2,845)                      | (191,198)        |
| Exchange differences        | 1,010                | —                                      | 660  | —                            | 1,670            |
| Impairment                  | (113,852)            | (891,463)                              | —  | —                            | (1,005,315)      |
| Closing net book amount     | <u>1,751,476</u>     | <u>899,581</u>                         | <u>504,235</u>   | <u>4,577</u>                 | <u>3,159,869</u> |
| At 31 December 2024         |                      |  |  |                              |                  |
| Cost                        | 2,370,232            | 1,791,044                              | 779,432  | 47,103                       | 4,987,811        |
| Accumulated depreciation    | (504,904)            | —                                      | (275,197)  | (42,526)                     | (822,627)        |
| Impairment                  | (113,852)            | (891,463)                              | —  | —                            | (1,005,315)      |
| Net book amount             | <u>1,751,476</u>     | <u>899,581</u>                         | <u>504,235</u>   | <u>4,577</u>                 | <u>3,159,869</u> |

The detailed information on assets pledged as securities by the Group is set out in note 40 to the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 16 LEASES

**As a lessee**

The Group has lease contracts for various items of lands and buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 40 to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 14 years.

**(a) Right-of-use assets**

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

|                     | Land use rights<br>RMB'000 | Leased properties<br>RMB'000 | Total<br>RMB'000 |
|---------------------|----------------------------|------------------------------|------------------|
| At 1 January 2025   | 1,146,698                  | 683,157                      | 1,829,855        |
| Additions           | 182,165                    | 191,831                      | 373,996          |
| Termination         | —                          | (67,507)                     | (67,507)         |
| Depreciation        | (13,057)                   | (230,514)                    | (243,571)        |
| At 31 December 2025 | <u>1,315,806</u>           | <u>576,967</u>               | <u>1,892,773</u> |

|  | Land use rights<br>RMB'000 | Leased properties<br>RMB'000 | Total<br>RMB'000 |
|--|----------------------------|------------------------------|------------------|
| At 1 January 2024                          | 54,460                     | 768,436                      | 822,896          |
| Additions                                  | —                          | 223,121                      | 223,121          |
| Transfer from properties under development | 1,481,444                  | —                            | 1,481,444        |
| Termination                                | —                          | (18,243)                     | (18,243)         |
| Impairment                                 | (385,395)                  | —                            | (385,395)        |
| Depreciation                               | (3,811)                    | (290,157)                    | (293,968)        |
| At 31 December 2024                        | <u>1,146,698</u>           | <u>683,157</u>               | <u>1,829,855</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 16 LEASES (Continued)

## As a lessee (Continued)

## (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Carrying amount at 1 January                              | 787,711         | 839,021         |
| New leases  | 191,831         | 223,121         |
| Termination   | (68,170)        | (22,032)        |
| Accretion of interest recognised during the year (note 8) | 21,805          | 29,785          |
| Payments  | (252,690)       | (282,184)       |
| Carrying amount at 31 December                            | <u>680,487</u>  | <u>787,711</u>  |
| Analysed into:  |                 |                 |
| Current portion   | 218,410         | 225,687         |
| Non-current portion                                       | <u>462,077</u>  | <u>562,024</u>  |

The maturity analysis of lease liabilities is disclosed in note 46 to the financial statements.

## (c) The amounts recognised in profit or loss in relation to leases are as follows:

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Depreciation of land use rights  | (13,057)        | (3,811)         |
| Less: Amount capitalised as construction in progress under property, plant and equipment   | —               | —               |
|  | <u>(13,057)</u> | <u>(3,811)</u>  |
| Depreciation of leased properties  | (230,514)       | (290,157)       |
| Interest expense (included in finance cost) (note 8)   | (21,805)        | (29,785)        |
| Expense relating to short-term leases (included in cost of sales, selling and marketing costs, and administrative expenses) (note 9) | <u>(90,844)</u> | <u>(67,165)</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 16 LEASES (Continued)

**As a lessor**

The Group leases its investment properties consisting of certain commercial properties in Chinese mainland and Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB505,513,000 (2024: RMB667,833,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

|   | 2025<br>RMB'000  | 2024<br>RMB'000 |
|---|------------------|-----------------|
| Not later than one year                           | <b>352,996</b>   | 418,173         |
| Later than one year and not later than five years | <b>630,210</b>   | 763,907         |
| Later than five years                             | <b>68,805</b>    | 166,790         |
|   | <b>1,052,011</b> | 1,348,870       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 17 INVESTMENT PROPERTIES

|                                     | Completed investment properties |                      |                  |
|-------------------------------------|---------------------------------|----------------------|------------------|
|                                     | Chinese mainland<br>RMB'000     | Hong Kong<br>RMB'000 | Total<br>RMB'000 |
| Opening balance at 1 January 2025   | 16,331,042                      | 698,270              | 17,029,312       |
| Cost adjustments, net               | (53,125)                        | —                    | (53,125)         |
| Transferred                         | 84,247                          | —                    | 84,247           |
| Fair value gains, net               | 88,658                          | (4,650)              | 84,008           |
| Exchange differences                | —                               | (17,538)             | (17,538)         |
| Closing balance at 31 December 2025 | 16,450,822                      | 676,082              | 17,126,904       |

|                                     | Completed investment properties |                      |                  |
|-------------------------------------|---------------------------------|----------------------|------------------|
|                                     | Chinese mainland<br>RMB'000     | Hong Kong<br>RMB'000 | Total<br>RMB'000 |
| Opening balance at 1 January 2024   | 16,083,692                      | 701,948              | 16,785,640       |
| Cost adjustments, net               | (43,112)                        | —                    | (43,112)         |
| Transferred                         | 4,386,037                       | —                    | 4,386,037        |
| Disposals                           | (3,387,700)                     | —                    | (3,387,700)      |
| Fair value losses, net              | (707,875)                       | (19,557)             | (727,432)        |
| Exchange differences                | —                               | 15,879               | 15,879           |
| Closing balance at 31 December 2024 | 16,331,042                      | 698,270              | 17,029,312       |

The completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

The detailed information on assets pledged as securities by the Group is set out in note 40 to the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**17 INVESTMENT PROPERTIES** (Continued)**Valuation processes**

The Group measures its investment properties at fair value. The investment properties were revalued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, which has recent experience in the locations and segments of the investment properties valued, as at 31 December 2025. For all investment properties, their current use is the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management, the valuation team and valuer at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

**Fair value hierarchy and valuation techniques used to determine fair values**

As at 31 December 2025 and 2024, all investment properties were included in level 3 fair value hierarchy.

Fair values of completed investment properties are generally derived using the comparison method and income method. The income method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have been determined by reference to recent rentals of the subject properties and other comparable properties.

There were no changes to the valuation techniques during the year.

**Valuation inputs and relationships to fair value**

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:

- 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;
- 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;
- 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 capitalisation rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows; and

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 17 INVESTMENT PROPERTIES (Continued)

## Valuation inputs and relationships to fair value (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

| Description   | Fair value at<br>31 December<br>2025<br>RMB'000 | Valuation<br>technique | Unobservable inputs                        | Range of unobservable inputs                               |
|---|---|------------------------|--|--|
| Completed investment properties in Chinese mainland | 193,550   | Comparison method      | Market price                               | RMB12,800/sqm to RMB26,300/sqm                             |
|   | 16,257,272                                      | Income method          | (1) Market rent<br>(2) Capitalisation rate | (1) RMB36/sqm/mth to RMB664/sqm/mth<br>(2) 2.75% to 8.0%   |
| Completed investment properties in Hong Kong        | 36,463  | Comparison method      | Market price                               | HKD12,470/sq.ft to HKD17,032/sq.ft                         |
|   | 639,619   | Income method          | (1) Market rent<br>(2) Capitalisation rate | (1) HKD5/sq.ft/mth to HKD90/sq.ft/mth<br>(2) 2.85% to 5.0% |

| Description   | Fair value at<br>31 December<br>2024<br>RMB'000 | Valuation<br>technique | Unobservable inputs                        | Range of unobservable inputs                               |
|---|---|------------------------|--|--|
| Completed investment properties in Chinese mainland | 346,752   | Comparison method      | Market price                               | RMB13,100/sqm to RMB25,700/sqm                             |
|   | 15,984,290                                      | Income method          | (1) Market rent<br>(2) Capitalisation rate | (1) RMB36/sqm/mth to RMB679/sqm/mth<br>(2) 2.75% to 7.5%   |
| Completed investment properties in Hong Kong        | 38,685  | Comparison method      | Market price                               | HKD12,217/sq.ft to HKD14,414/sq.ft                         |
|   | 659,585   | Income method          | (1) Market rent<br>(2) Capitalisation rate | (1) HKD5.9/sq.ft/mth to HKD192/sq.ft/mth<br>(2) 2.8% to 5% |

Relationships of unobservable inputs to fair value are as follows:

- The higher the market price, the higher the fair value;
- The higher the market rent, the higher the fair value;
- The higher the capitalisation rate, the lower the fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 18 INTERESTS IN JOINT VENTURES

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Share of net assets                          | 4,376,817       | 3,538,677       |
| Amounts due from joint ventures (note 43(c)) | 1,414,232       | 1,645,053       |
| Total  | 5,791,049       | 5,183,730       |

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Investments in joint ventures                |                 |                 |
| At 1 January                                 | 3,538,677       | 4,264,105       |
| Additions                                    | 312,153         | 855,590         |
| Capital reduction                            | (71,940)        | (1,600,463)     |
| Conversion from subsidiaries                 | 1,006,735       | —               |
| Share of (loss)/profit*                      | (408,808)       | 19,445          |
| At 31 December                               | 4,376,817       | 3,538,677       |
| Amounts due from joint ventures (note 43(c)) | 1,414,232       | 1,645,053       |
| Total  | 5,791,049       | 5,183,730       |

\* In the current year, share of loss of joint ventures was amounted to RMB416,957,000 (2024: RMB43,318,000), among which share of loss with amount of RMB8,149,000 (2024: among which share of loss with amount of RMB62,763,000) was recorded as reduction of amounts due from joint ventures.

The joint ventures held by the Group have share capital consisting solely of ordinary shares, which are held directly by the Group. All of the joint ventures are private companies with no quoted market price available for its shares.

As at 31 December 2025 and 2024, there was no joint venture individually material to the Group. Details of the Group's joint ventures as at 31 December 2025 are set out on page 234.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 18 INTERESTS IN JOINT VENTURES (Continued)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

|   | 2025<br>RMB'000  | 2024<br>RMB'000 |
|---|------------------|-----------------|
| Share of the joint ventures' losses for the year and total comprehensive loss | <b>(416,957)</b> | (43,318)        |
| Aggregate carrying amount of the Group's investments in the joint ventures    | <b>4,376,817</b> | 3,538,677       |

The Group's joint ventures did not have any significant capital commitments as at 31 December 2025 (2024: Nil).

There are no significant contingent liabilities relating to the Group's interests in the joint ventures.

## 19 INTERESTS IN ASSOCIATES

|  | 2025<br>RMB'000   | 2024<br>RMB'000 |
|--|-------------------|-----------------|
| Share of net assets                      | <b>26,098,270</b> | 24,203,146      |
| Deferred units (note)                    | <b>470,491</b>    | 596,659         |
| Amounts due from associates (note 43(c)) | <b>1,031,381</b>  | 1,451,677       |
| Total                                    | <b>27,600,142</b> | 26,251,482      |

All the interests in associates held by the Group are unlisted except for an investment in a material associate, Yuexiu REIT, with a carrying value of approximately RMB5,490 million (2024: RMB5,470 million) which is listed on the Hong Kong Stock Exchange. The fair value of the interest in this associate amounted to approximately RMB1,713 million (2024: RMB1,811 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 19 INTERESTS IN ASSOCIATES (Continued)

|  | 2025<br>RMB'000   | 2024<br>RMB'000   |
|--|-------------------|-------------------|
| Share of net assets                        |                   |                   |
| At 1 January                               | 24,203,146        | 20,688,322        |
| Addition                                   | 4,599,205         | 3,223,440         |
| Capital reduction                          | (4,599,693)       | (322,762)         |
| Conversion from subsidiaries               | 2,800,243         | —                 |
| Dividend declared by associates            | (2,081,029)       | (486,567)         |
| Share of profit*                           | 1,259,572         | 1,106,631         |
| Share of other comprehensive income/(loss) | 42,204            | (114,530)         |
| Exchange difference                        | (125,378)         | 108,612           |
|  | <b>26,098,270</b> | <b>24,203,146</b> |
| Deferred units (note)                      | 470,491           | 596,659           |
| Amounts due from associates (note 43(c))   | 1,031,381         | 1,451,677         |
| Interests in associates                    | <b>27,600,142</b> | <b>26,251,482</b> |

\* In the current year, share of profit of associates was amounted to RMB1,218,875,000 (2024: RMB1,021,214,000), among which share of loss with amount of RMB40,697,000 (2024: RMB85,417,000) was recorded as reduction of amounts due from associates.

Note: In connection with the disposal of Tower Top Development Limited to Yuexiu REIT in 2012, the Group will, on 31 December of each year, receive from Yuexiu REIT certain numbers of units of Yuexiu REIT starting from 31 December 2016. The number of units to be received each year will be limited to the maximum number of units that may be issued to the Group which will not trigger an obligation on the part of the Group to make a mandatory general offer under Rule 26 of the Takeovers Code for all units not already owned or agreed to be acquired by the Group at the relevant time.

Deferred units are part of the consideration of the business acquisition of Yuexiu REIT. The number of units to be issued to the Group was fixed at disposal date and is not subject to change across time. It is in substance the prepaid forward contract to deliver a fixed number of units for which the consideration has been received in advance. There are no cash option or derivative elements in the deferred unit arrangement. This is a contractual arrangement to physically issue the units in accordance with the issuing schedule and there is no redemption option. The deferred units, once issued, will make the voting right/dividend right of the Group on Yuexiu REIT effective.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 19 INTERESTS IN ASSOCIATES (Continued)

Set out below is the summarised financial information for the Group's material associate, Yuexiu REIT, which is accounted for using the equity method:

|   | 2025<br>RMB'000     | 2024<br>RMB'000 |
|---|---------------------|-----------------|
| Investment properties   | <b>28,830,883</b>   | 37,494,008      |
| Other non-current assets (excluding investment properties)                  | <b>6,287,177</b>    | 3,930,415       |
| Cash and bank balances  | <b>6,640,233</b>    | 1,446,154       |
| Other current assets (excluding cash and bank balances)                     | <b>209,487</b>      | 250,756         |
| <b>Total assets</b>   | <b>41,967,780</b>   | 43,121,333      |
| Non-current liabilities, other than net assets attributable to unitholders  | <b>(12,835,696)</b> | (21,600,080)    |
| Current liabilities   | <b>(13,926,133)</b> | (5,607,216)     |
| <b>Total liabilities, other than net assets attributable to unitholders</b> | <b>(26,761,829)</b> | (27,207,296)    |
| <b>Net assets attributable to unitholders</b>                               | <b>(14,059,196)</b> | (14,730,183)    |
| <b>Total liabilities</b>  | <b>(40,821,025)</b> | (41,937,479)    |
| <b>Net assets</b>   | <b>1,146,755</b>    | 1,183,854       |
| Revenue   | <b>1,855,907</b>    | 2,031,536       |
| Post-tax loss before transactions with unitholders                          | <b>(657,726)</b>    | (297,849)       |
| Transactions with unitholders   | <b>472,668</b>      | 514,348         |
| (Loss)/profit after income tax after transactions with unitholders          | <b>(185,058)</b>    | 216,499         |
| Other comprehensive income/(loss)   | <b>149,285</b>      | (232,512)       |
| <b>Total comprehensive loss</b>   | <b>(35,773)</b>     | (16,013)        |
| <b>Dividends received by the Group from Yuexiu REIT in cash</b>             | <b>(123,641)</b>    | (130,947)       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**19 INTERESTS IN ASSOCIATES** (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material associate is as follows:

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Net assets attributable to unitholders as at 1 January | 14,730,183      | 15,436,532      |
| Issuance of units                                      | 102,254         | 141,954         |
| Transactions with unitholders                          | (472,668)       | (514,348)       |
| Distributions paid to unitholders                      | (300,573)       | (333,955)       |
| Net assets attributable to unitholders at 31 December  | 14,059,196      | 14,730,183      |
| Net assets attributable to deferred unitholders        | (470,491)       | (596,659)       |
| Net assets attributable to normal unitholders          | 13,588,705      | 14,133,524      |
| Interest in an associate                               | 41.94%          | 40.02%          |
| Carrying value before exchange reserve                 | 5,699,103       | 5,656,802       |
| Exchange reserve                                       | (208,897)       | (187,250)       |
| Carrying value   | 5,490,206       | 5,469,552       |

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Share of the associates' profits for the year and total comprehensive income | 1,219,849       | 1,083,270       |
| Aggregate carrying amount of the Group's investments in the associates       | 20,608,064      | 18,733,594      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 20 FINANCIAL ASSETS AT FVOCI

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Opening balance at 1 January  | 967,085         | 999,130         |
| Decrease in fair value recognised in other comprehensive income related to equity investments | (196)           | (32,045)        |
| Closing balance at 31 December  | <u>966,889</u>  | <u>967,085</u>  |

Financial assets at FVOCI represent unlisted securities in companies located in Chinese mainland without external credit ratings.

The fair value of the common shares held is derived mainly using the guideline public company method. In applying this method, the Group has selected comparable public company peers in the same or a similar industry to provide objective evidence as to values at which investors are willing to buy and sell interest of companies in that industry and conclude by applying an appropriate valuation multiple that is a relevant performance measure for its investments.

Valuation multiples are derived from the reported earnings and the period end stock price of companies in the peer group. Applying the valuation multiples and the price-to-earnings multiple have been concluded to be the relevant performance measures for its investments. The Group also adjusts the indicated fair value by using the discount for lack of marketability compared to the publicly traded peer group when it determines that the market participants would take this into account when pricing the investment. The discount for lack of marketability is quantified on the basis of relevant restricted stock studies and represents the most significant unobservable input applied to arrive at the fair value measurement of equity securities. The Group determines discount of 40% for lack of marketability as the significant unobservable input.

If the discount for lack of marketability had changed by +0.5% or -0.5%, the fair value of the investments and other comprehensive income would have decreased or increased by approximately RMB8 million (2024: RMB8 million). Management believes that reasonable possible changes to other unobservable inputs would not result in a significant change in the estimated fair value of the investments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 21 INTANGIBLE ASSETS

|                             | Goodwill (note)<br>RMB'000 | Customer<br>relationship<br>RMB'000 | Software<br>RMB'000 | Total<br>RMB'000 |
|-----------------------------|----------------------------|-------------------------------------|---------------------|------------------|
| Year ended 31 December 2025 |                            |                                     |                     |                  |
| Opening net book amount     | 23,542                     | 53,936                              | 261,787             | 339,265          |
| Additions                   | —                          | —                                   | 100,469             | 100,469          |
| Amortisation (note 9)       | —                          | (9,413)                             | (42,044)            | (51,457)         |
| Closing net book amount     | 23,542                     | 44,523                              | 320,212             | 388,277          |
| At 31 December 2025         |                            |                                     |                     |                  |
| Cost                        | 260,408                    | 92,372                              | 612,181             | 964,961          |
| Accumulated amortisation    | —                          | (47,849)                            | (291,969)           | (339,818)        |
| Accumulated impairment      | (236,866)                  | —                                   | —                   | (236,866)        |
| Net book amount             | 23,542                     | 44,523                              | 320,212             | 388,277          |
| Year ended 31 December 2024 |                            |                                     |                     |                  |
| Opening net book amount     | 260,408                    | 63,349                              | 190,371             | 514,128          |
| Additions                   | —                          | —                                   | 115,688             | 115,688          |
| Amortisation (note 9)       | —                          | (9,413)                             | (44,272)            | (53,685)         |
| Impairment                  | (236,866)                  | —                                   | —                   | (236,866)        |
| Closing net book amount     | 23,542                     | 53,936                              | 261,787             | 339,265          |
| At 31 December 2024         |                            |                                     |                     |                  |
| Cost                        | 260,408                    | 92,372                              | 511,712             | 864,492          |
| Accumulated amortisation    | —                          | (38,436)                            | (249,925)           | (288,361)        |
| Accumulated impairment      | (236,866)                  | —                                   | —                   | (236,866)        |
| Net book amount             | 23,542                     | 53,936                              | 261,787             | 339,265          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 21 INTANGIBLE ASSETS (Continued)

Note:

**Impairment test for goodwill**

The goodwill arose from the acquisition of Guangzhou Metro Environmental Engineering Co., Ltd. ("GZMEE") and its subsidiary Guangzhou Metro Property Management Co., Ltd. ("GZMPM", collectively, the "GZMEE Group") in 2020 and the acquisition of Guangzhou Yuexiu Fanyue Property Service Co., Ltd. ("Fanyue Property Management", formerly known as "Guangzhou City Bingxin Property Management Co., Ltd.") in 2022 with carrying amounts of RMB253,344,000 and RMB7,064,000, respectively. Goodwill arising from the acquisition of the GZMEE Group and Fanyue Property Management is monitored by the management at the level of non-commercial property management and value-added services segment. Goodwill has been assessed based on the related CGUs for impairment testing.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill as at 31 December 2025 and 2024:

|  | 2025      | 2024      |
|--|-----------|-----------|
| <b>For GZMEE Group CGU:</b>                |           |           |
| Revenue (% annual growth rate)             | 1%-9%     | (3%)-20%  |
| Gross margin (% of revenue)                | 7%        | 8%-9%     |
| Long-term growth rate                      | 2.0%      | 2.0%      |
| Pre-tax discount rate                      | 17.23%    | 18.37%    |
| <b>For Fanyue Property Management CGU:</b> |           |           |
| Revenue (% annual growth rate)             | (24%)-95% | (11%)-42% |
| Gross margin (% of revenue)                | 10%-13%   | 10%-15%   |
| Long-term growth rate                      | 2.0%      | 2.0%      |
| Pre-tax discount rate                      | 18.66%    | 17.80%    |

Management has determined the values assigned to each of the above key assumptions as follows:

| Assumption            | Approach used to determine values   |
|-----------------------|---|
| Revenue               | Annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.                                   |
| Gross margin          | Based on past performance and management's expectations for the future.   |
| Long-term growth rate | This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports. |
| Pre-tax discount rate | Reflects specific risks relating to the relevant CGU.   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**21 INTANGIBLE ASSETS (Continued)**

Note: (Continued)

**Impairment test for goodwill (Continued)**

The goodwill represents the excess of the acquisition consideration transferred over the fair value of the net identifiable assets acquired as at the acquisition date. By reference to the recoverable amount assessed by the independent external valuer as at 31 December 2025, the directors of the Company determined that no impairment provision on goodwill was required as at 31 December 2025 (31 December 2024: RMB236,866,000). Such recoverable amount of the CGU is determined based on the value in use (VIU calculation), which requires the Group to estimate the future cash flows expected to arise from the CGU and suitable discount rates in order to calculate the present value.

*Impact of possible changes in key assumptions*

As at 31 December 2025, in the opinion of the directors of the Company, for the GZMEE Group CGU, if the budgeted revenue used in the VIU calculation had been decreased by 18.3% or the estimated gross profit margins used in the VIU calculation had been decreased by 0.4%, or the pre-tax discount rate applied to the cash flow projections of the CGU had been increased by 1.8%, the Group would have had to recognise an impairment against goodwill. The estimated long-term growth rate used in the VIU calculation for the CGU would not lead to an impairment against goodwill.

As at 31 December 2025, in the opinion of the directors of the Company, for the Fanyue Property Management CGU, if the estimated gross profit margins used in the VIU calculation had been decreased by 8.05% (2024: 8.69%), the Group would have had to recognise an impairment against goodwill. The budgeted revenue, estimated pre-tax discount rate and long-term growth rate used in the VIU calculation for the CGU would not lead to an impairment against goodwill.

**22 PROPERTIES UNDER DEVELOPMENT**

|   | 2025<br>RMB'000    | 2024<br>RMB'000    |
|---|--------------------|--------------------|
| Amounts are expected to be completed                                  |                    |                    |
| - within the normal operating cycle included under current assets     | 126,423,671        | 179,813,083        |
| - beyond the normal operating cycle included under non-current assets | 7,886,324          | 7,855,936          |
|   | <b>134,309,995</b> | <b>187,669,019</b> |
| At cost   |                    |                    |
| - Properties without impairment provision                             | 130,380,980        | 182,369,668        |
| - Properties with impairment provision                                | 5,523,899          | 6,512,680          |
| Less: Provision for impairment of properties under development        | <b>(1,594,884)</b> | <b>(1,213,329)</b> |
|   | <b>134,309,995</b> | <b>187,669,019</b> |

Properties under development are mainly located in Chinese mainland. The normal operating cycle of the Group's property development generally ranges from 2 to 3 years.

The detailed information on assets pledged as securities by the Group is set out in note 40 to the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 23 PROPERTIES HELD FOR SALE

|  | 2025<br>RMB'000    | 2024<br>RMB'000    |
|--|--------------------|--------------------|
| At cost  |                    |                    |
| - Properties without impairment provision                  | 49,970,298         | 34,660,274         |
| - Properties with impairment provision                     | 10,989,696         | 13,797,982         |
| Less: Provision for impairment of properties held for sale | <u>(3,055,071)</u> | <u>(3,318,862)</u> |
|  | <u>57,904,923</u>  | <u>45,139,394</u>  |

Properties held for sale are mainly located in Chinese mainland.

The detailed information on assets pledged as securities by the Group is set out in note 40 to the financial statements.

## 24 CONTRACT COSTS

The Group has recognised an asset in relation to costs to obtain the property sales contracts.

|   | 2025<br>RMB'000    | 2024<br>RMB'000    |
|---|--------------------|--------------------|
| Assets recognised from costs incurred to obtain a contract at 31 December | 817,629            | 1,445,157          |
| Amortisation recognised as selling expenses during the year               | <u>(1,553,834)</u> | <u>(1,316,986)</u> |

Management expects the incremental costs, primarily sale commission, as a result of obtaining the property sale contracts are recoverable. The Group has capitalised the amounts and recognised as expenses when the related revenue is recognised. Management has concluded that there was no impairment loss in relation to the costs capitalised.

## 25 TRADE AND NOTES RECEIVABLES

|   | 2025<br>RMB'000  | 2024<br>RMB'000  |
|---|------------------|------------------|
| Trade receivables from contracts with customers | 1,557,579        | 1,296,533        |
| Notes receivables                               | 25,524           | 56,614           |
|   | <u>1,583,103</u> | <u>1,353,147</u> |
| Less: Loss allowance                            | <u>(67,427)</u>  | <u>(45,667)</u>  |
|   | <u>1,515,676</u> | <u>1,307,480</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**25 TRADE AND NOTES RECEIVABLES (Continued)**

As at 31 December 2025 and 2024, the ageing analysis of the trade and notes receivables based on invoice date is as follows:

|               | 2025<br>RMB'000  | 2024<br>RMB'000  |
|---------------|------------------|------------------|
| Within 1 year | 1,307,286        | 1,065,620        |
| 1 to 2 years  | 181,034          | 198,450          |
| 2 to 3 years  | 60,008           | 70,909           |
| Over 3 years  | 34,775           | 18,168           |
|               | <b>1,583,103</b> | <b>1,353,147</b> |

As at 31 December 2025, a provision of approximately RMB67,427,000 (2024: RMB45,667,000) was made against the gross amount of trade receivables. The Group's trade and notes receivables are mainly denominated in RMB.

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

|                   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------|-----------------|-----------------|
| At 1 January      | 45,667          | 44,886          |
| Impairment losses | 21,760          | 9,706           |
| Write off         | —               | (8,925)         |
| At 31 December    | <b>67,427</b>   | <b>45,667</b>   |

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group of receivables are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor engage in a repayment plan with the Group, and a failure to make contractual payments. Nil (2024: RMB8,925,000) of trade receivables were written off during the year ended 31 December 2025.

Trade receivables without known insolvencies are assessed on a collective basis based on shared credit risk characteristics. As at 31 December 2025, loss allowance of RMB67.4 million (31 December 2024: RMB45.7 million) was provided for according to the simplified approach.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 26 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

|  | 2025<br>RMB'000   | 2024<br>RMB'000 |
|--|-------------------|-----------------|
| Amounts due from NCI and related parties of NCI (note) | 26,340,204        | 18,171,579      |
| Amounts due from related parties                       | 9,702,064         | 14,275,527      |
| Deposits   | 1,480,965         | 1,678,069       |
| Receivables from land resumption                       | 6,442,363         | 10,232,107      |
| Other receivables                                      | 3,631,925         | 4,719,242       |
|  | <b>47,597,521</b> | 49,076,524      |
| Less: loss allowance                                   | <b>(25,613)</b>   | (22,898)        |
|  | <b>47,571,908</b> | 49,053,626      |
| Prepaid value-added taxes and other taxes              | 3,778,647         | 3,004,166       |
| Prepayments  | 814,861           | 1,012,226       |
|  | <b>52,165,416</b> | 53,070,018      |
| Less:  |                   |                 |
| Non-current proportion of interest receivables         | <b>(62,777)</b>   | (33,388)        |
| Non-current proportion of prepayments                  | <b>(115,053)</b>  | (132,090)       |
|  | <b>51,987,586</b> | 52,904,540      |

Note:

Out of the total amount of approximately RMB26,340 million (2024: RMB18,172 million), interest-bearing balance amounted to approximately RMB601 million (2024: RMB636 million) as at 31 December 2025 which bears interest at a rate ranging from 0.35% to 2.55% (2024: from 0.35% to 4.35%) per annum.

The Group's other receivables, prepayments and deposits are mainly denominated in RMB.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 27 DEPOSITS, CASH AND BANK BALANCES

|  | 2025<br>RMB'000   | 2024<br>RMB'000   |
|--|-------------------|-------------------|
| <b>Current portion of deposits, cash and bank balances</b>           |                   |                   |
| Time deposits with maturity date within one year                     | 4,516             | 467,260           |
| Charged bank deposits (note (a))                                     | 12,826,681        | 17,560,393        |
| Cash and cash equivalents  | 32,524,986        | 29,728,316        |
|  | <b>45,356,183</b> | <b>47,755,969</b> |
| <b>Non-current portion of deposits</b>                               |                   |                   |
| Time deposits with maturity date after one year                      | 300,000           | 1,150,000         |
| Deposit certificates (note (b))                                      | 1,080,000         | 1,080,000         |
| Other restricted deposits with original maturity date after one year | 24,468            | 63,280            |
|  | <b>1,404,468</b>  | <b>2,293,280</b>  |

Note:

- (a) Charged bank deposits mainly represented guarantee deposits for construction. In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank certain amount of pre-sale proceeds of properties as guarantee deposits for constructions of related properties. The deposits can only be used for purchase of construction materials and settlement of construction fees of the relevant property projects. Such guarantee deposits will only be released after completion of related pre-sold properties or issuance of the real estate ownership certificate, whichever is the earlier.
- (b) The deposit certificates are deposited with creditworthy banks with no recent history of default. The deposit certificates are made for varying periods of between three months and three years, and earn interest at the respective fixed rates ranging from 2.60% to 2.65% per annum. The deposit certificates are classified and measured at amortised cost as they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and are held within a business model with the objective to hold in order to collect contractual cash flows.

Deposits, cash and bank balances are denominated in the following currencies:

|        | 2025<br>RMB'000   | 2024<br>RMB'000   |
|--------|-------------------|-------------------|
| HKD    | 3,170,729         | 1,182,928         |
| RMB    | 39,814,848        | 48,845,177        |
| USD    | 3,774,326         | 20,095            |
| Others | 748               | 1,049             |
|        | <b>46,760,651</b> | <b>50,049,249</b> |

The Group's RMB balances are placed with banks in Chinese mainland. The conversion of these RMB denominated balances into foreign currencies in Chinese mainland is subject to rules and regulations of foreign exchange control promulgated by the Chinese Government.

The Group's bank deposits are mainly placed with major state-owned financial institutions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 28 TRADE AND NOTES PAYABLES

|                | 2025<br>RMB'000  | 2024<br>RMB'000  |
|----------------|------------------|------------------|
| Trade payables | 2,649,219        | 1,276,322        |
| Notes payables | 268,563          | 283,444          |
|                | <b>2,917,782</b> | <b>1,559,766</b> |

The ageing analysis of the trade and notes payables based on invoice date is as follows:

|                 | 2025<br>RMB'000  | 2024<br>RMB'000  |
|-----------------|------------------|------------------|
| Within 90 days  | 1,500,165        | 871,845          |
| 91 to 180 days  | 561,319          | 159,880          |
| 181 to 365 days | 580,172          | 437,228          |
| 1 to 2 years    | 245,407          | 71,650           |
| Over 2 years    | 30,719           | 19,163           |
|                 | <b>2,917,782</b> | <b>1,559,766</b> |

Majority of the Group's trade and notes payables are denominated in RMB.

## 29 CONTRACT LIABILITIES

|                      | 2025<br>RMB'000   | 2024<br>RMB'000   |
|----------------------|-------------------|-------------------|
| Contract liabilities | <b>63,058,337</b> | <b>83,841,916</b> |

- (a) Revenue recognised in 2025 that was included in the contract liabilities balance as at 31 December 2024 amounted to approximately RMB61,739 million (2024: RMB53,008 million).
- (b) For sales of properties, the Group receives payments from customers based on billing schedules as established in contracts. Payments are usually received in advance of the performance under the contracts mainly of sales of properties. The decrease in contract liabilities was mainly attributable to the decrease in the Group's contracted sales.
- (c) For property management services contract, the Group recognised revenue equals to the right to invoice amount when it corresponds directly with the value of the Group's performance obligations to the customers for these types of contracts. The majority of the property management service contracts do not have a fixed term.
- (d) For other contracts, as a practical expedient, the Group does not need to disclose transaction price allocated to the remaining performance obligation as the performance obligation is part of a contract that has an original expected duration of one year or less.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 30 OTHER PAYABLES AND ACCRUED CHARGES

|   | 2025<br>RMB'000   | 2024<br>RMB'000 |
|---|-------------------|-----------------|
| Accrual for construction related costs  | 30,958,022        | 43,590,271      |
| Amounts due to related parties  | 31,461,567        | 33,699,913      |
| Amounts due to NCI and related parties of NCI (note (a))                                    | 5,601,671         | 7,775,316       |
| Payables under a supplier settlement scheme (note (b) and note 38(a))                       | 7,047,818         | 8,790,425       |
| Accrued employee benefits costs   | 877,757           | 913,514         |
| Payables for value-added tax payables and other taxes                                       | 3,446,747         | 4,947,868       |
| Other payables  | 4,642,750         | 6,965,321       |
|   | <b>84,036,332</b> | 106,682,628     |
| Less:   |                   |                 |
| Non-current proportion of amounts due to related parties,<br>NCI and related parties of NCI | —                 | (607,151)       |
|   | <b>84,036,332</b> | 106,075,477     |

Notes:

- (a) Out of the total amount of approximately RMB5,602 million (2024: RMB7,775 million) were interest-bearing approximately RMB1,008 million (2024: RMB3,288 million) as at 31 December 2025 which bore interest at weighted average rate of 3.89% (2024: 6.23%) per annum.
- (b) The credit terms that the key suppliers grant to the Group are generally 2 months. The Group has established a supplier settlement scheme that are offered to some of the Group's key suppliers in Chinese mainland. Under the supplier settlement scheme, the suppliers transfer their creditor's rights to external finance providers without recourse and obtain considerations to complete the settlement. The credit terms that granted to the Group would be extended by around 12 months from the time of transfer, and the Group would make the payments to the creditors before the maturity of such creditor's rights to complete the settlement. The Group provides no security to the finance providers.

The related non-cash transaction is disclosed in note 38(a) to the financial statements.

Majority of the Group's other payables and accrued charges are denominated in RMB.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 31 BORROWINGS

|  | 2025<br>RMB'000    | 2024<br>RMB'000    |
|--|--------------------|--------------------|
| <b>Non-current</b>                           |                    |                    |
| Long-term bank borrowings                    |                    |                    |
| - Secured (c)                                | 22,768,178         | 18,694,314         |
| - Unsecured                                  | 23,883,561         | 22,153,146         |
| Other borrowings (a)                         |                    |                    |
| - Unsecured                                  | 30,973,349         | 39,772,449         |
|  | <b>77,625,088</b>  | <b>80,619,909</b>  |
| <b>Current</b>                               |                    |                    |
| Bank overdrafts                              | —                  | 39                 |
| Short-term bank borrowings                   |                    |                    |
| - Unsecured                                  | 4,042,556          | 2,361,692          |
| Current portion of long-term bank borrowings |                    |                    |
| - Secured (c)                                | 4,067,508          | 10,432,974         |
| - Unsecured                                  | 3,263,353          | 6,075,912          |
| Other borrowings (a)                         |                    |                    |
| - Unsecured                                  | 15,828,457         | 4,398,216          |
|  | <b>27,201,874</b>  | <b>23,268,833</b>  |
| Total borrowings                             | <b>104,826,962</b> | <b>103,888,742</b> |

Certain borrowings are classified as non-current liabilities. The Group's right to defer settlement of these liabilities is subject to compliance with financial covenants within twelve months after the reporting period. As at the end of the reporting period, the carrying amount of such borrowings amounted to RMB13,160 million. The Group has assessed its ability to comply with the relevant financial covenants within twelve months after the reporting period. Based on current financial projections and available financing arrangements, management considers that the Group will be able to comply with all applicable covenants on the relevant testing dates. Accordingly, management is of the view that the risk of these liabilities becoming repayable within twelve months after the reporting period is not significant.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 31 BORROWINGS (Continued)

## (a) Other borrowings

|                                     | 2025<br>RMB'000   | 2024<br>RMB'000   |
|-------------------------------------|-------------------|-------------------|
| PRC corporate bonds (i)             | 23,723,478        | 23,724,528        |
| Medium term notes (ii)              | 16,783,996        | 14,147,923        |
| Private placement note (iii)        | 1,795,332         | 1,799,214         |
| Real estate debt investment schemes | 4,499,000         | 4,499,000         |
| Total other borrowings              | <b>46,801,806</b> | <b>44,170,665</b> |

## (i) PRC corporate bonds

In 2021, the Group issued corporate bonds with an aggregate nominal value of RMB6,000 million with interest rates from 3.17% to 3.55% per annum and with maturity of 5 years to 7 years. The net proceeds, after deducting the issuance costs, amounted to approximately RMB5,995 million. The Group adjusted the interest rates of some corporate bonds with aggregated amounts of RMB3,000 million to 2.1% and 2.39%, respectively, in 2024. Corporate bonds of an amount of RMB1,500 million were redeemed in 2024.

In 2022, the Group issued corporate bonds with an aggregate nominal value of RMB9,840 million with interest rates from 2.78% to 3.43% per annum and with maturity of 5 years to 7 years. The net proceeds, after deducting the issuance costs, amounted to approximately RMB9,830 million. The Group adjusted the interest rates of some corporate bonds with aggregated amounts of RMB1,500 million to 1.95% in 2025. Corporate bonds of an amount of RMB2,900 million were redeemed in 2025.

In 2023, the Group issued corporate bonds with an aggregate nominal value of RMB6,900 million with interest rates from 2.98% to 3.63% per annum and with maturity of 5 years to 10 years. The net proceeds, after deducting the issuance costs, amounted to approximately RMB6,893 million.

In 2024, the Group issued corporate bonds with an aggregate nominal value of RMB2,500 million with interest rates from 2.15% to 2.78% per annum and with maturity of 5 years to 10 years. The net proceeds, after deducting the issuance costs, amounted to approximately RMB2,498 million.

In 2025, the Group issued corporate bonds with an aggregate nominal value of RMB2,900 million with interest rates from 1.95% to 2.50% per annum and with maturity of 5 years to 10 years. The net proceeds, after deducting the issuance costs, amounted to approximately RMB2,897 million.

Certain PRC corporate bonds contain early redemption options, which means that, the Group shall be entitled to adjust the coupon rate whereas the investors shall be entitled to sell back in whole or in part the bonds.

Guangzhou Yue Xiu Holdings Limited ("Guangzhou Yue Xiu"), the ultimate holding company, provides guarantees for all the above corporate bonds.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2025

**31 BORROWINGS (Continued)****(a) Other borrowings (Continued)****(ii) Medium term notes**

In 2014, the Group issued medium term notes of HKD2,300 million with an interest rate of 6.10% per annum and maturity in 2029.

In 2021, the Group issued medium term notes with an aggregate nominal value of USD800 million with interest rates ranging from 2.80% to 3.80% per annum and with maturity of 5 years to 10 years. The net proceeds, after deduction of issuance costs, amounted to approximately USD798 million.

In 2023, the Group issued guaranteed notes of RMB3,396 million with interest rates ranging from 3.80% to 4.00% per annum, which will mature three years after issuance. The net proceeds, after deduction of issuance costs, amounted to approximately RMB3,387 million.

In 2023, the Group issued guaranteed notes of RMB510 million with an interest rate of 4.00% per annum, which will mature three years after issuance. The net proceeds, after deduction of issuance costs, amounted to approximately RMB509 million.

In 2024, the Group issued additional guaranteed notes of RMB700 million with an interest rate of 4.00% per annum and maturity in 2026 (consolidated and formed a single series with the guaranteed notes of RMB510 million issued in 2023). Additionally, the Group issued guaranteed notes of RMB1,690 million with an interest rate of 4.10% per annum and maturity in 2027. The aggregated net proceeds, after deduction of issuance costs, amounted to approximately RMB2,384 million.

In 2025, the Group issued guaranteed notes of RMB2,850 million with an interest rate of 3.30% per annum and maturity of 3 years. The net proceeds, after deducting the issuance costs, amounted to approximately RMB2,840 million.

**(iii) Private placement note**

In 2024, the Group issued private placement note of an aggregate nominal value of RMB1,800 million with interest rates ranging from 2.20% to 2.32% per annum and with maturity of 5 years to 7 years. The net proceeds, after deduction of issuance costs, amounted to approximately RMB1,799 million. Guangzhou Yue Xiu, the ultimate holding company, provides guarantees for the private placement note.

- (b)** As at 31 December 2025, borrowings of the Group amounting to RMB9,354 million (2024: RMB7,620 million) were jointly guaranteed by the Group and NCI and related parties of NCI.

As at 31 December 2025, the Group had no borrowings secured by equity interests of subsidiaries (2024: RMB728 million).

- (c)** Information of securities of the secured borrowings is set out in note 40 to the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 31 BORROWINGS (Continued)

(d) The maturity of borrowings is as follows:

|                            | Bank borrowings and overdrafts |                   | Other borrowings  |                   |
|----------------------------|--------------------------------|-------------------|-------------------|-------------------|
|                            | 2025                           | 2024              | 2025              | 2024              |
|                            | RMB'000                        | RMB'000           | RMB'000           | RMB'000           |
| Within one year            | 11,373,417                     | 18,870,617        | 15,828,457        | 4,398,216         |
| In the second year         | 17,537,582                     | 18,316,417        | 10,122,539        | 15,961,229        |
| In the third to fifth year | 19,995,800                     | 13,807,960        | 16,402,077        | 19,837,403        |
| Over five years            | 9,118,357                      | 8,723,083         | 4,448,733         | 3,973,817         |
|                            | <b>58,025,156</b>              | <b>59,718,077</b> | <b>46,801,806</b> | <b>44,170,665</b> |

The fair values of the Group's non-current borrowings approximate their carrying amounts at the end of reporting period as the impact of discounting is not significant or the borrowings carry floating rate of interests.

The effective interest rates at the balance sheet date were as follows:

|                  | 2025  |       |       | 2024  |       |       |
|------------------|-------|-------|-------|-------|-------|-------|
|                  | HKD   | RMB   | USD   | HKD   | RMB   | USD   |
| Bank borrowings  | 3.88% | 2.56% | —     | 5.98% | 2.87% | —     |
| Other borrowings | 6.10% | 3.24% | 2.99% | 6.10% | 3.48% | 2.99% |
| Bank overdrafts  | —     | —     | —     | 6.71% | —     | —     |

The carrying amounts of the borrowings are denominated in the following currencies:

|     | 2025               | 2024               |
|-----|--------------------|--------------------|
|     | RMB'000            | RMB'000            |
| HKD | 15,018,324         | 13,124,085         |
| RMB | 84,227,732         | 85,024,128         |
| USD | 5,580,906          | 5,740,529          |
|     | <b>104,826,962</b> | <b>103,888,742</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 32 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has the following derivative financial instruments:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| <b>Current assets</b>   |                 |                 |
| Capped forward foreign exchange contracts                     | 4,421           | —               |
| Foreign currency forward contracts                            | —               | —               |
| Total current derivative financial instrument assets          | <u>4,421</u>    | <u>—</u>        |
| <b>Non-current assets</b>                                     |                 |                 |
| Capped forward foreign exchange contracts                     | —               | 15,677          |
| Foreign currency forward contracts                            | —               | 105,360         |
| Total non-current derivative financial instrument assets      | <u>—</u>        | <u>121,037</u>  |
| <b>Current liabilities</b>                                    |                 |                 |
| Capped forward foreign exchange contracts                     | (8,471)         | —               |
| Foreign currency forward contracts                            | (72,495)        | —               |
| Total current derivative financial instrument liabilities     | <u>(80,966)</u> | <u>—</u>        |
| <b>Non-current liabilities</b>                                |                 |                 |
| Capped forward foreign exchange contracts                     | (22,439)        | (7,319)         |
| Foreign currency forward contracts                            | (8,267)         | (1,719)         |
| Total non-current derivative financial instrument liabilities | <u>(30,706)</u> | <u>(9,038)</u>  |

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for as held for trading with gains (losses) recognised in profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

**Cash flow hedge - Foreign currency risk**

At 31 December 2025, the Group had certain foreign currency forward contracts, which were being used to hedge the foreign currency exposure of certain fixed rate bank loans.

There is an economic relationship between the hedged items and the hedging instruments as the terms of these foreign currency forward contracts match the terms of the respective bank loans (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the foreign exchange contracts are identical to the hedged risk components. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 32 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

**Cash flow hedge - Foreign currency risk (Continued)**

The movements of the Group's hedging reserves are as shown below:

|  | Cost of hedging reserve<br>RMB'000 | Cash flow hedge reserve – spot component of currency forwards<br>RMB'000 | Total hedge reserves<br>RMB'000 |
|--|------------------------------------|--|---------------------------------|
| As at 1 January 2024   | (191,294)                          | 19,119   | (172,175)                       |
| Add: Change in fair value of hedging instrument recognised in OCI for the year | —                                  | 136,117  | 136,117                         |
| Add: Costs of hedging deferred and recognised in OCI                           | 5,709                              | —  | 5,709                           |
| Less: Reclassified from OCI to profit or loss                                  | 65,462                             | (122,922)  | (57,460)                        |
| As at 31 December 2024 and 1 January 2025                                      | <b>(120,123)</b>                   | <b>32,314</b>  | <b>(87,809)</b>                 |
| Add: Change in fair value of hedging instrument recognised in OCI for the year | —                                  | (317,393)  | (317,393)                       |
| Add: Costs of hedging deferred and recognised in OCI                           | 135,024                            | —  | 135,024                         |
| Less: Reclassified from OCI to profit or loss                                  | (51,685)                           | 328,665  | 276,980                         |
| As at 31 December 2025   | <b>(36,784)</b>                    | <b>43,586</b>  | <b>6,802</b>                    |

In addition to the amounts disclosed in the reconciliation of hedging reserves above, the following amounts were recognised in profit or loss in relation to derivatives:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Net (loss)/gain on foreign currency forward contracts not qualifying as hedges included in finance costs (note 8) | <b>(34,847)</b> | 91,791          |
| (Loss)/gain on hedge ineffectiveness of foreign currency forward contracts - amount recognised in finance costs   | <b>(2,035)</b>  | 43,122          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 33 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable income tax rate. The majority of the deferred tax assets and liabilities are expected to be recovered after more than 12 months.

The movements in deferred tax assets (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

|   | Provision<br>for accrued<br>LAT and others<br>RMB'000 | Provision for<br>impairment<br>of properties<br>and revaluation<br>of properties<br>RMB'000 | Tax losses<br>RMB'000 | Total<br>RMB'000 |
|---|---|---|-----------------------|------------------|
| At 1 January 2025                                       | 1,437,166   | 1,811,950   | 2,642,804             | 5,891,920        |
| (Charged)/credited to profit or<br>loss during the year | (614,453)   | 353,487   | 1,036,436             | 775,470          |
| Deemed disposal of subsidiaries                         | —   | (52,967)  | (115,609)             | (168,576)        |
| At 31 December 2025                                     | <u>822,713</u>  | <u>2,112,470</u>  | <u>3,563,631</u>      | <u>6,498,814</u> |

|  | Provision<br>for accrued<br>LAT and others<br>RMB'000 | Provision for<br>impairment<br>of properties<br>and revaluation<br>of properties<br>RMB'000 | Tax losses<br>RMB'000 | Total<br>RMB'000 |
|--|---|---|-----------------------|------------------|
| At 1 January 2024                          | 644,760   | 1,510,074   | 1,543,829             | 3,698,663        |
| Credited to profit or loss during the year | 792,406   | 301,876   | 1,098,975             | 2,193,257        |
| At 31 December 2024                        | <u>1,437,166</u>                                      | <u>1,811,950</u>  | <u>2,642,804</u>      | <u>5,891,920</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**33 DEFERRED TAXATION** (Continued)

The movements in deferred tax liabilities (prior to offsetting of balances within the same jurisdiction), during the year are as follows:

|  | Revaluation<br>of properties<br>and others<br>RMB'000 | Revaluation<br>of financial<br>assets<br>at FVOCI<br>RMB'000 | Withholding<br>tax on profit to<br>be distributed<br>in future<br>RMB'000 | Total<br>RMB'000 |
|--|---|--|---|------------------|
| At 1 January 2025                          | 2,657,090   | 222,357  | 2,554,136   | 5,433,583        |
| Credited to profit or loss during the year | (898,190)   | —  | (100,546)   | (998,736)        |
| Credited to reserves                       | —   | (49)   | —   | (49)             |
| At 31 December 2025                        | <u>1,758,900</u>                                      | <u>222,308</u>   | <u>2,453,590</u>  | <u>4,434,798</u> |

|  | Revaluation<br>of properties<br>and others<br>RMB'000 | Revaluation<br>of financial<br>assets<br>at FVOCI<br>RMB'000 | Withholding<br>tax on profit to<br>be distributed<br>in future<br>RMB'000 | Total<br>RMB'000 |
|--|---|--|---|------------------|
| At 1 January 2024                          | 3,290,473   | 230,368  | 2,573,449   | 6,094,290        |
| Disposal of subsidiaries                   | (607,900)   | —  | —   | (607,900)        |
| Credited to profit or loss during the year | (25,483)  | —  | (19,313)  | (44,796)         |
| Credited to reserves                       | —   | (8,011)  | —   | (8,011)          |
| At 31 December 2024                        | <u>2,657,090</u>                                      | <u>222,357</u>   | <u>2,554,136</u>  | <u>5,433,583</u> |

As at 31 December 2025, the Group has not recognised deferred tax liabilities of RMB368,601,000 (2024: RMB378,453,000) in respect of temporary differences relating to the unremitted profits of subsidiaries, amounting to RMB7,372,029,000 (2024: RMB7,569,057,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**33 DEFERRED TAXATION** (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

|   | 2025<br>RMB'000  | 2024<br>RMB'000 |
|---|------------------|-----------------|
| Net deferred tax assets recognised in the consolidated statement of financial position      | 5,757,590        | 4,464,790       |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | 3,693,574        | 4,006,453       |
| Net deferred tax assets   | <b>2,064,016</b> | 458,337         |

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxation profits is probable. As at 31 December 2025, the Group had unrecognised deferred tax benefits of approximately RMB1,719 million (2024: RMB1,981 million) in respect of tax losses of approximately RMB7,322 million (2024: RMB8,371 million). Tax losses amounting to RMB6,009 million (2024: RMB7,058 million) will expire at various dates up to and including 2030 (2024: 2029). The remaining tax losses have no expiry date.

**34 SHARE CAPITAL**

|                   | Number of<br>shares<br>2025<br>( '000) | Number of<br>shares<br>2024<br>( '000) | Share<br>capital<br>2025<br>RMB'000 | Share<br>capital<br>2024<br>RMB'000 |
|-------------------|--|--|-------------------------------------|-------------------------------------|
| As at 1 January   | 4,025,393                              | 4,025,393                              | 25,545,008                          | 25,545,008                          |
| As at 31 December | <b>4,025,393</b>                       | 4,025,393                              | <b>25,545,008</b>                   | 25,545,008                          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 35 SHARES HELD UNDER SHARE AWARD SCHEME

**Adoption of the share award scheme**

The share award scheme for employees of the Group was adopted by the Board of the Company on 17 March 2017 (the "Adoption Date"). The share award scheme shall be valid and effective for nine years commencing from the Adoption Date (the "Scheme Period"), subject to any early termination as may be determined by the Board.

**Scheme Limit**

The total number of shares awarded under the share award scheme shall not exceed 3% (the "Scheme Limit") of the number of shares in issue as at the Adoption Date, and the Board may from time to time "refresh" the Scheme Limit provided that the total number of scheme shares awarded and to be awarded must not exceed 5% of the number of shares in issue as at the date of the resolution to approve the "refreshed" limit.

**Operation**

Pursuant to the scheme rules of the share award scheme (the "Scheme Rules"), the Board of the Company may from time to time at its absolute discretion select any employee to be a selected senior management participant and determine and allocate the number of shares to be granted to a selected participant pursuant to an award in accordance with the Scheme Rules. The Company has entered into a trust deed with the trustee (the "Trustee") for implementing the share award scheme. The Group will pay to the Trustee the purchase monies for the purchase of shares for the purpose of the share award scheme, and the Trustee shall apply the full amount of such purchase monies received from the Group for the purchase of the maximum number of shares from the market and shall hold such shares on trust during the Scheme Period.

|  | Number<br>of shares<br>( <b>'000</b> ) | Cost of<br>acquired shares<br><b>RMB'000</b> |
|--|--|--|
| At 1 January 2024                      | <b>17,613</b>                          | <b>121,530</b>                               |
| Acquisition of shares by the Trust     | —                                      | —  |
| Shares granted to employees            | <b>(10,325)</b>                        | <b>(67,193)</b>                              |
| At 31 December 2024 and 1 January 2025 | <b>7,288</b>                           | <b>54,337</b>                                |
| Acquisition of shares by the Trust     | —                                      | —  |
| Shares granted to employees            | <b>(3,694)</b>                         | <b>(28,028)</b>                              |
| At 31 December 2025                    | <b>3,594</b>                           | <b>26,309</b>                                |

3,693,563 shares were granted to the relevant selected participants during the year ended 31 December 2025 (2024: 10,324,837 shares). As at 31 December 2025, the total number of issued ordinary shares of the Company included 3,594,547 (2024: 7,288,110) shares held under the share award scheme.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 36 RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 110 and 111 of the financial statements.

Statutory reserves represent enterprise expansion and general reserve funds set up by the subsidiaries, joint ventures and associates in Chinese mainland. As stipulated by regulations in Chinese mainland, the Company's subsidiaries, joint ventures and associates established and operated in Chinese mainland are required to appropriate a portion of their after-tax profits (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective boards of directors. The general reserve funds may be used for making up losses and increasing capital while the enterprise expansion funds may only be used for increasing capital.

### 37 ACQUISITION OF A SUBSIDIARY

On 30 December 2025, the Group acquired a 76% interest in Hangzhou Binxin Real Estate Development Co., Ltd. (杭州濱馨房地產開發有限公司) from Hangzhou Binjiang Real Estate Group Co., Ltd. (杭州濱江房產集團股份有限公司) at a cash consideration of RMB1,520 million.

Details of the net assets acquired and the gain are as follows:

|   | 2025<br>RMB'000  |
|---|------------------|
| Properties under development                | 3,376,150        |
| Other receivables, prepayments and deposits | 2,101,878        |
| Cash and bank balances                      | 75,227           |
| Trade payables                              | (67,172)         |
| Other payables and accruals                 | (1,416,083)      |
| Borrowings                                  | (2,070,000)      |
| Total identifiable net assets at fair value | 2,000,000        |
| Non-controlling interest                    | (480,000)        |
| Satisfied by cash                           | <u>1,520,000</u> |

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

|  | 2025<br>RMB'000    |
|--|--------------------|
| Cash consideration   | (1,520,000)        |
| Cash and bank balances acquired  | 75,227             |
| Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary | <u>(1,444,773)</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 38 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

## (a) Changes in liabilities arising from financing activities

|   | Borrowings<br>RMB'000 | Derivative<br>financial<br>instruments<br>RMB'000 | Payables  |                                 |                              |
|---|-----------------------|---|---|---------------------------------|------------------------------|
|   |                       |   | under supplier<br>settlement<br>scheme<br>RMB'000 | Lease<br>liabilities<br>RMB'000 | Other<br>payables<br>RMB'000 |
| <b>Liabilities from financing activities<br/>as at 1 January 2025</b>   | (103,888,703)         | (9,038)   | (8,790,425)                                       | (787,711)                       | (26,549,252)                 |
| Financing cash flows  | 5,946,127             | 299   | 9,447,266   | 252,690                         | (483,228)*                   |
| Foreign exchange adjustments  | 539,922               | —   | —   | —                               | —                            |
| New leases  | —                     | —   | —   | (191,831)                       | —                            |
| Interest expense on lease liabilities                                   | —                     | —   | —   | (21,805)                        | —                            |
| Acquisition of subsidiaries   | (7,707,000)           | —   | —   | —                               | (242,995)                    |
| Deemed disposal of subsidiaries   | 175,000               | —   | —   | —                               | 4,891,110                    |
| Changes in fair values  | —                     | (79,042)  | —   | —                               | —                            |
| Increase arising from supplier<br>settlement scheme                     | —                     | —   | (7,704,659)                                       | —                               | —                            |
| Other changes (note)  | 107,692               | (23,891)  | —   | 68,170                          | (640,680)                    |
| <b>Liabilities from financing activities<br/>as at 31 December 2025</b> | <b>(104,826,962)</b>  | <b>(111,672)</b>                                  | <b>(7,047,818)</b>                                | <b>(680,487)</b>                | <b>(23,025,045)</b>          |

\* Financing cash flows excluded the changes in amounts due from related parties and NCI and related parties of NCI of RMB6,796,310,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 38 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

## (a) Changes in liabilities arising from financing activities (Continued)

|   | Payables                 |                          |                      |                  |                     |
|---|--------------------------|--------------------------|----------------------|------------------|---------------------|
|   | Borrowings               | Derivative               | under supplier       | Lease            | Other               |
|   | (excluding<br>overdraft) | financial<br>instruments | settlement<br>scheme | liabilities      | payables            |
|   | RMB'000                  | RMB'000                  | RMB'000              | RMB'000          | RMB'000             |
| <b>Liabilities from financing activities as at 1 January 2024</b>   | (104,370,863)            | (55,785)                 | (11,127,195)         | (839,021)        | (22,260,606)        |
| Financing cash flows  | 12,460,070               | (350,491)                | 7,263,485            | 282,184          | (3,458,033)*        |
| Foreign exchange adjustments  | (368,622)                | —                        | —                    | —                | —                   |
| New leases  | —                        | —                        | —                    | (223,121)        | —                   |
| Interest expense on lease liabilities                               | —                        | —                        | —                    | (29,785)         | —                   |
| Acquisition of subsidiaries   | (13,698,877)             | —                        | —                    | —                | 109                 |
| Disposal of a subsidiary  | 2,106,900                | —                        | —                    | —                | —                   |
| Changes in fair values  | —                        | 54,066                   | —                    | —                | —                   |
| Increase arising from supplier settlement scheme                    | —                        | —                        | (4,926,715)          | —                | —                   |
| Other changes (note)  | (17,311)                 | 343,172                  | —                    | 22,032           | (830,722)           |
|   | <u>(103,888,703)</u>     | <u>(9,038)</u>           | <u>(8,790,425)</u>   | <u>(787,711)</u> | <u>(26,549,252)</u> |
| <b>Liabilities from financing activities as at 31 December 2024</b> | <u>(103,888,703)</u>     | <u>(9,038)</u>           | <u>(8,790,425)</u>   | <u>(787,711)</u> | <u>(26,549,252)</u> |

\* Financing cash flows excluded the changes in amounts due from related parties and NCI and related parties of NCI of RMB2,590,937,000.

Notes: Other changes mainly including accrued interest expenses, offsetting amounts due to related parties against dividends receivable due from related parties and conversion of amounts due to NCI as capital injection from NCI to subsidiaries.

## (b) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB191,831,000 (2024: RMB223,121,000) and RMB191,831,000 (2024: RMB223,121,000), respectively, in respect of lease arrangements for leased properties.

During the year, non-controlling shareholders reduced capital to certain subsidiaries of the Group, where the total consideration amounting to RMB4,877,220,000 was settled with the current account of other receivables from non-controlling shareholders (2024: total consideration amounting to RMB838,800,000 was settled with the current account of other receivables from non-controlling shareholders).

During the year, certain subsidiaries of the Group distributed dividends of RMB1,331,746,000 to non-controlling shareholders which were settled with the current account of other receivables from non-controlling shareholders (2024: dividends of RMB48,762,000 to a non-controlling shareholder which were settled with the current account of other receivables from a non-controlling shareholder).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 38 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

## (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

|                             | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------|-----------------|-----------------|
| Within operating activities | 90,844          | 27,541          |
| Within financing activities | 252,690         | 240,808         |
|                             | <b>343,534</b>  | <b>268,349</b>  |

## 39 GUARANTEES

|  | 2025<br>RMB'000   | 2024<br>RMB'000   |
|--|-------------------|-------------------|
| Guarantees for mortgage facilities granted to certain property purchasers of the Group's properties (note (a)) | 30,356,944        | 44,114,243        |
| Guarantees for banking and loan facilities granted to associates and joint ventures (note (b))                 | 2,170,980         | 6,553,980         |
|  | <b>32,527,924</b> | <b>50,668,223</b> |

Notes:

- (a) 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 for repaying 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 titles of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.
- (b) As at 31 December 2025, certain subsidiaries of the Group provided guarantees of approximately RMB2,171 million (2024: RMB6,554million) in respect of loans borrowed by certain joint ventures and associates of the Group, among which guarantees of approximately RMB517 million (2024: RMB725 million) were utilised and guarantees of approximately RMB1,654 million (2024: RMB5,829 million) were not utilised yet.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 40 SECURITIES FOR BANKING FACILITIES AND BORROWINGS

At 31 December 2025, certain banking facilities and borrowings granted to the Group were secured by mortgages of certain of the Group's properties under development, properties held for sale, investment properties and right-of-use assets with aggregate carrying values of approximately RMB36,507 million (2024: RMB50,501 million), RMB4,735 million (2024: RMB1,681 million), RMB1,274 million (2024: Nil) and Nil (2024: RMB980 million), respectively.

## 41 COMMITMENTS

As at 31 December 2025, the Group did not have contractual commitments in respect of purchases of property, plant and equipment (2024: Nil).

## 42 NON-CONTROLLING INTERESTS

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

| Summarised statement<br>of financial position | 廣州宏勝房地產<br>開發有限公司<br>RMB'000 | 上海錦鈺置業<br>有限公司<br>RMB'000 | 杭州濱泓房地產<br>開發有限公司<br>RMB'000 | 上海樾潤置業<br>有限公司<br>RMB'000 |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
| <b>31 December 2025</b>                       |                              |                           |                              |                           |
| Current assets                                | 7,937,224                    | 3,443,159                 | 2,062,077                    | 9,269,172                 |
| Current liabilities                           | 171,682                      | 661,161                   | 1,473,807                    | 3,945,228                 |
| Current net assets                            | 7,765,542                    | 2,781,998                 | 588,270                      | 5,323,944                 |
| Non-current assets                            | 197,989                      | 258,418                   | 270,832                      | 9,156                     |
| Non-current liabilities                       | —                            | —                         | —                            | 80,551                    |
| Non-current net assets/(liabilities)          | 197,989                      | 258,418                   | 270,832                      | (71,395)                  |
| Net assets                                    | 7,963,531                    | 3,040,416                 | 859,102                      | 5,252,549                 |
| Accumulated NCI                               | 3,902,130                    | 1,536,218                 | 622,371                      | 2,573,344                 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 42 NON-CONTROLLING INTERESTS (Continued)

| <b>Statement of profit or loss<br/>and other comprehensive income</b> | 廣州宏勝房地產<br>開發有限公司<br>RMB'000 | 上海錦鈺置業<br>有限公司<br>RMB'000 | 杭州濱泓房地產<br>開發有限公司<br>RMB'000 | 上海樾潤置業<br>有限公司<br>RMB'000 |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
| <b>2025</b>   |                              |                           |                              |                           |
| Revenue   | 45,558                       | 7,234,855                 | 8,346,341                    | —                         |
| (Loss)/profit for the year  | (109,260)                    | 1,438,858                 | 818,259                      | (15,871)                  |
| Other comprehensive income  | —                            | —                         | —                            | —                         |
| Total comprehensive (loss)/income                                     | (109,260)                    | 1,438,858                 | 818,259                      | (15,871)                  |
| (Loss)/profit allocated to NCI  | (53,537)                     | 736,650                   | 618,054                      | (8,182)                   |
| Dividends paid to NCI   | —                            | 375,000                   | —                            | —                         |
|   | <u>—</u>                     | <u>375,000</u>            | <u>—</u>                     | <u>—</u>                  |
|   | <u>—</u>                     | <u>375,000</u>            | <u>—</u>                     | <u>—</u>                  |
| <b>Statement of cash flow</b>   | 廣州宏勝房地產<br>開發有限公司<br>RMB'000 | 上海錦鈺置業<br>有限公司<br>RMB'000 | 杭州濱泓房地產<br>開發有限公司<br>RMB'000 | 上海樾潤置業<br>有限公司<br>RMB'000 |
| <b>2025</b>   |                              |                           |                              |                           |
| Cash flows (used in)/from<br>operating activities                     | (627,681)                    | (331,577)                 | (159,107)                    | 3,198,277                 |
| Cash flows from/(used in)<br>investing activities                     | 711,594                      | 100,000                   | (200,000)                    | (1,130,012)               |
| Cash flows (used in)/from<br>financing activities                     | (59,939)                     | 98,806                    | 1,231                        | (1,005,942)               |
| Net increase/(decrease) cash<br>and cash equivalents                  | 23,974                       | (132,771)                 | (357,876)                    | 1,062,323                 |
|   | <u>23,974</u>                | <u>(132,771)</u>          | <u>(357,876)</u>             | <u>1,062,323</u>          |
|   | <u>23,974</u>                | <u>(132,771)</u>          | <u>(357,876)</u>             | <u>1,062,323</u>          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 42 NON-CONTROLLING INTERESTS (Continued)

| <b>Summarised statement of financial position</b>                 | 廣州宏勝房地產<br>開發有限公司<br>RMB'000 | 廣州東耀房地產<br>開發有限公司<br>RMB'000 | 廣州市品冠房地產<br>開發有限公司<br>RMB'000 | 廣州市品秀房地產<br>開發有限公司<br>RMB'000 |
|---|------------------------------|------------------------------|-------------------------------|-------------------------------|
| <b>31 December 2024</b>   |                              |                              |                               |                               |
| Current assets  | 9,059,083                    | 5,407,065                    | 3,839,959                     | 8,989,173                     |
| Current liabilities   | 1,118,443                    | 1,146,019                    | 1,061,485                     | 3,543,248                     |
| Current net assets  | 7,940,640                    | 4,261,046                    | 2,778,474                     | 5,445,925                     |
| Non-current assets  | 132,150                      | 188,023                      | 63,550                        | 2,318,624                     |
| Non-current liabilities   | —                            | —                            | —                             | 1,748,307                     |
| Non-current net assets  | 132,150                      | 188,023                      | 63,550                        | 570,317                       |
| Net assets  | 8,072,790                    | 4,449,069                    | 2,842,024                     | 6,016,242                     |
| Accumulated NCI   | 3,955,667                    | 2,180,044                    | 1,392,592                     | 842,274                       |
| <b>Statement of profit or loss and other comprehensive income</b> | 廣州宏勝房地產<br>開發有限公司<br>RMB'000 | 廣州東耀房地產<br>開發有限公司<br>RMB'000 | 廣州市品冠房地產<br>開發有限公司<br>RMB'000 | 廣州市品秀房地產<br>開發有限公司<br>RMB'000 |
| <b>2024</b>   |                              |                              |                               |                               |
| Revenue   | 28,852                       | 814,414                      | 3,623,258                     | 499,411                       |
| Profit/(loss) for the year  | 144,709                      | (96,848)                     | 216,032                       | (462,348)                     |
| Other comprehensive income  | —                            | —                            | —                             | —                             |
| Total comprehensive income/(loss)                                 | 144,709                      | (96,848)                     | 216,032                       | (462,348)                     |
| Profit/(loss) allocated to NCI                                    | 70,907                       | (47,455)                     | 105,856                       | (64,728)                      |
| Dividends paid to NCI   | —                            | —                            | —                             | —                             |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 42 NON-CONTROLLING INTERESTS (Continued)

| Statement of cash flow                         | 廣州宏勝房地產<br>開發有限公司<br>RMB'000 | 廣州東耀房地產<br>開發有限公司<br>RMB'000 | 廣州市品冠房地產<br>開發有限公司<br>RMB'000 | 廣州市品秀房地產<br>開發有限公司<br>RMB'000 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| <b>2024</b>                                    |                              |                              |                               |                               |
| Cash flows (used in)/from operating activities | (444,556)                    | 307,068                      | 217,093                       | (99,166)                      |
| Cash flows from/(used in) investing activities | 422,985                      | (531,027)                    | (1,030,200)                   | (44)                          |
| Cash flows from/(used in) financing activities | 84                           | (670)                        | (2,077)                       | (94,175)                      |
| Net decrease in cash and cash equivalents      | <u>(21,487)</u>              | <u>(224,629)</u>             | <u>(815,184)</u>              | <u>(193,385)</u>              |

| Summarised statement of financial position | 廣州市品悅房地產<br>開發有限公司<br>RMB'000 | 廣州市品薈房地產<br>開發有限公司<br>RMB'000 | 廣州市品輝房地產<br>開發有限公司<br>RMB'000 |
|--|-------------------------------|-------------------------------|-------------------------------|
| <b>31 December 2024</b>                    |                               |                               |                               |
| Current assets                             | 2,959,770                     | 4,753,608                     | 5,859,068                     |
| Current liabilities                        | <u>1,378,102</u>              | <u>1,823,210</u>              | <u>1,236,837</u>              |
| Current net assets                         | <u>1,581,668</u>              | <u>2,930,398</u>              | <u>4,622,231</u>              |
| Non-current assets                         | 2,141,908                     | 1,741,129                     | 238                           |
| Non-current liabilities                    | <u>3,944</u>                  | <u>57,099</u>                 | <u>134,427</u>                |
| Non-current net assets/(liabilities)       | <u>2,137,964</u>              | <u>1,684,030</u>              | <u>(134,189)</u>              |
| Net assets                                 | <u>3,719,632</u>              | <u>4,614,428</u>              | <u>4,488,042</u>              |
| Accumulated NCI                            | <u>1,822,620</u>              | <u>2,261,069</u>              | <u>2,199,141</u>              |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 42 NON-CONTROLLING INTERESTS (Continued)

| <b>Statement of profit or loss and other comprehensive income</b> | 廣州市品悅房地產<br>開發有限公司<br>RMB'000 | 廣州市品薈房地產<br>開發有限公司<br>RMB'000 | 廣州市品輝房地產<br>開發有限公司<br>RMB'000 |
|---|-------------------------------|-------------------------------|-------------------------------|
| <b>2024</b>   |                               |                               |                               |
| Revenue   | 970,355                       | 3,617,582                     | 1,809,085                     |
| Profit for the year   | 137,964                       | 136,191                       | 349,989                       |
| Other comprehensive income  | —                             | —                             | —                             |
| Total comprehensive income  | 137,964                       | 136,191                       | 349,989                       |
| Profit allocated to NCI   | 67,603                        | 66,734                        | 171,495                       |
| Dividends paid to NCI   | —                             | —                             | —                             |
|   | <u>          </u>             | <u>          </u>             | <u>          </u>             |
| <b>Statement of cash flow</b>                                     | 廣州市品悅房地產<br>開發有限公司<br>RMB'000 | 廣州市品薈房地產<br>開發有限公司<br>RMB'000 | 廣州市品輝房地產<br>開發有限公司<br>RMB'000 |
| <b>2024</b>   |                               |                               |                               |
| Cash flows (used in)/from operating activities                    | (1,169,407)                   | 714,846                       | (822,834)                     |
| Cash flows used in investing activities                           | (171,500)                     | (98,015)                      | (205,800)                     |
| Cash flows used in financing activities                           | (16,484)                      | (376,002)                     | (1,157)                       |
| Net (decrease)/increase in cash and cash equivalents              | (1,357,391)                   | 240,829                       | (1,029,791)                   |
|   | <u>          </u>             | <u>          </u>             | <u>          </u>             |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 43 SIGNIFICANT RELATED PARTY TRANSACTIONS

## (a) Related parties

The Company's ultimate holding company is Guangzhou Yue Xiu Holdings Limited, which was established in Chinese mainland. The table below summarises the names of related parties, with whom the Group has significant transactions during the year, and their relationship with the Company as at 31 December 2025:

| Significant related parties                         | Relationship with the Company |
|---|-------------------------------|
| Guangzhou Yue Xiu                                   | Ultimate holding company      |
| Yue Xiu Enterprises (Holdings) Limited ("YXE")      | Immediate holding company     |
| Guangzhou Metro Group Co., Ltd. ("Guangzhou Metro") | The substantial shareholder   |
| Yuexiu REIT   | An associate                  |
| 廣州越創房地產開發有限公司                                       | An associate                  |
| 廣州越宏房地產開發有限公司                                       | An associate                  |
| 廣州慶越房地產開發有限公司                                       | An associate                  |
| 廣州越合通房地產開發有限公司                                      | An associate                  |
| 肥西和順地產有限公司  | An associate                  |
| 廣州市悅匯城商業經營管理有限公司                                    | An associate                  |
| 廣州雋浩房地產開發有限公司                                       | An associate                  |
| 廣州粵恒房地產開發有限公司                                       | An associate                  |
| 上海華潤樾能置業有限公司  | An associate                  |
| 上海樂秀房地產開發有限公司                                       | An associate                  |
| 上海城樾置業有限公司  | An associate                  |
| 廣州裕秀房地產開發有限公司                                       | An associate                  |
| 南通駿秀房地產開發有限公司                                       | An associate                  |
| 西咸新區紫塬泊漢置業有限公司                                      | A joint venture               |
| 廣州南沙科城投資發展有限公司                                      | A joint venture               |
| 湖北宏秀房地產開發有限公司                                       | A joint venture               |
| 廣州市越達房地產開發有限公司                                      | A joint venture               |
| 青島昌明置業有限公司  | A joint venture               |
| Chong Hing Bank Limited                             | A fellow subsidiary           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 43 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

## (b) Transactions with related parties

|                                       | 2025<br>RMB'000  | 2024<br>RMB'000  |
|---------------------------------------|------------------|------------------|
| (I) Interest income (note 7)          |                  |                  |
| – joint ventures                      | 181,875          | 60,490           |
| – associates                          | 156,579          | 98,441           |
|                                       | <u>338,454</u>   | 158,931          |
| – a fellow subsidiary (bank deposits) | 47,236           | 39,532           |
|                                       | <u>385,690</u>   | <u>198,463</u>   |
| (II) Interest expense (note 8)        |                  |                  |
| – ultimate holding company            | (133,895)        | (185,319)        |
| – immediate holding company           | (57,622)         | (150,137)        |
| – associates                          | (15,769)         | (120,722)        |
| – a fellow subsidiary                 | (28,310)         | (33,208)         |
|                                       | <u>(235,596)</u> | <u>(489,386)</u> |
| (III) Addition of right-of-use assets |                  |                  |
| – associates                          | 127,892          | 51,374           |
| – joint ventures                      | 2,576            | —                |
|                                       | <u>130,468</u>   | <u>51,374</u>    |
| (IV) Rental income                    |                  |                  |
| – associates                          | 83,323           | 78,965           |
| – fellow subsidiaries                 | 18,772           | 28,647           |
|                                       | <u>102,095</u>   | <u>107,612</u>   |
| (V) Short-term leases rental expenses |                  |                  |
| – associates                          | (46,025)         | (34,596)         |
| – fellow subsidiaries                 | (3,384)          | —                |
| – immediate holding company           | —                | (88)             |
|                                       | <u>(49,409)</u>  | <u>(34,684)</u>  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 43 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

## (b) Transactions with related parties (Continued)

|   | 2025<br>RMB'000  | 2024<br>RMB'000 |
|---|------------------|-----------------|
| (VI) Revenue from sales of materials  |                  |                 |
| – associates  | 838,936          | 370,023         |
| – joint ventures  | 180,722          | 77,671          |
|   | <b>1,019,658</b> | <b>447,694</b>  |
| (VII) Property management service income  |                  |                 |
| – the substantial shareholder   | 285,940          | 225,410         |
| – associates  | 213,196          | 161,457         |
| – fellow subsidiaries   | 72,842           | 67,849          |
| – joint ventures  | 56,271           | 34,057          |
|   | <b>628,249</b>   | <b>488,773</b>  |
| (VIII) Construction service income  |                  |                 |
| – associates  | 18,289           | 49,267          |
| – fellow subsidiaries   | 30,272           | 39,469          |
| – joint ventures  | 3,440            | 8,507           |
|   | <b>52,001</b>    | <b>97,243</b>   |
| (IX) Tenancy service fees income  |                  |                 |
| – associates  | 32,224           | 28,343          |
| – fellow subsidiaries   | 1,767            | —               |
|   | <b>33,991</b>    | <b>28,343</b>   |
| (X) Others  |                  |                 |
| Purchase of the relevant procured products and services<br>from fellow subsidiaries | 20,868           | 16,410          |
| Revenue from sales of property development<br>from a fellow subsidiary              | —                | 62,023          |
| Consideration for acquisition of a subsidiary<br>from a fellow subsidiary           | —                | 14,972          |

The price of above transactions were determined in accordance with the terms as agreed among the relevant contracting parties.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 43 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

## (c) Balances with related parties

|  | Notes        | 2025<br>RMB'000     | 2024<br>RMB'000 |
|--|--------------|---------------------|-----------------|
| Amount due from recorded in current assets     |              |                     |                 |
| – associates                                   | (ii), (iii)  | <b>4,969,385</b>    | 4,456,692       |
| – joint ventures                               | (ii), (iv)   | <b>3,254,471</b>    | 1,174,898       |
| – the substantial shareholder                  | (i), (ii)    | <b>1,412,179</b>    | 2,940,167       |
| – fellow subsidiaries                          | (i), (ii)    | <b>66,029</b>       | 37,153          |
| Amount due from recorded in non-current assets | (v)          |                     |                 |
| – joint ventures                               |              | <b>1,414,232</b>    | 1,645,053       |
| – associates                                   |              | <b>1,031,381</b>    | 1,451,677       |
| Amount due to                                  |              |                     |                 |
| – associates                                   | (ii), (vi)   | <b>(24,332,948)</b> | (28,659,016)    |
| – immediate holding company                    | (ii), (vii)  | <b>(3,964,473)</b>  | (1,678,024)     |
| – joint ventures                               | (i), (ii)    | <b>(1,642,652)</b>  | (1,697,420)     |
| – fellow subsidiaries                          | (i), (ii)    | <b>(963,349)</b>    | (876,682)       |
| – the substantial shareholder                  | (ii), (viii) | <b>(429,069)</b>    | (424,648)       |
| – ultimate holding company                     | (i), (ii)    | <b>(129,535)</b>    | (121,728)       |
| Bank deposits in a fellow subsidiary           | (ix)         | <b>5,547,726</b>    | 3,160,819       |
| Bank borrowing from a fellow subsidiary        | (x)          | <b>(1,083,188)</b>  | (926,200)       |
| Lease liabilities                              | (xi)         |                     |                 |
| – fellow subsidiaries                          |              | <b>(142,911)</b>    | (169,062)       |
| – associates                                   |              | <b>(87,960)</b>     | (106,683)       |
| Trade and notes receivables from               | (xii)        |                     |                 |
| – associates                                   |              | <b>410,998</b>      | 327,951         |
| – joint ventures                               |              | <b>110,574</b>      | 180,337         |
| – the substantial shareholder                  |              | <b>86,180</b>       | 78,326          |
| – fellow subsidiaries                          |              | <b>89,332</b>       | 43,393          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 43 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

## (c) Balances with related parties (Continued)

Except for the amounts denominated in HKD and USD listed below, other balances with related parties are denominated in RMB.

|                                      | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------|-----------------|-----------------|
| Denominated in HKD                   |                 |                 |
| Amount due from a joint venture      | 21,803          | 22,354          |
| Bank deposits in a fellow subsidiary | 14,611          | 12,412          |
| Denominated in USD                   |                 |                 |
| Bank deposits in a fellow subsidiary | 736,515         | 338             |
| Amount due from an associate         | 632,592         | 646,956         |

## Notes:

- (i) These balances are unsecured, interest-free and repayable or receivable on demand.
- (ii) These balances are included in other receivables, prepayments and deposits or other payables and accrued charges, as appropriate.
- (iii) Except for the amounts of approximately RMB2,494,671,000 (2024: RMB1,243,210,000), which are unsecured and interest-bearing at a weighted average rate of 4.78% per annum (2024: 7.33%), the remaining balances are unsecured, interest-free and receivable on demand.
- (iv) Except for the amounts of approximately RMB1,076,700,000 (2024: RMB8,000,000), which are unsecured and interest-bearing at a weighted average rate of 6.31% per annum (2024: 15.00%), the remaining balances are unsecured, interest-free and receivable on demand.
- (v) These balances are included in interests in joint ventures and interests in associates. Except for the amounts of approximately RMB710,859,000 (2024: RMB410,733,000), which are unsecured and interest-bearing at a weighted average rate of 5.59% (2024: 6.66%) per annum respectively, the remaining balances are unsecured and interest-free.
- (vi) Except for the amounts of approximately RMB297,846,000 (2024: RMB297,846,000), which are unsecured and interest-bearing at a weighted average rate of 4.98% (2024: 4.98%) per annum respectively, the remaining balances are unsecured, interest-free and repayable on demand.
- (vii) The balances as at 31 December 2025 were unsecured, interest-free and repayable on demand. Interest incurred for loans from immediate holding company during the year ended 31 December 2025 was charged at 4.69% per annum (2024: 6.06%).
- (viii) The amounts due to the substantial shareholder, Guangzhou Metro, which are unsecured, interest-free and repayable in 2026 (2024: same).
- (ix) These balances are bank deposits maintained with fellow subsidiaries on normal commercial terms.
- (x) These balances were unsecured and interest-bearing at 2.75% (2024: 3.30%) per annum.
- (xi) The Group leases office premises from associates and fellow subsidiaries. The monthly rents payable by the Group during the leasing terms are determined with reference to the prevailing market prices.
- (xii) The balances are receivable from Guangzhou Metro, joint ventures, associates and fellow subsidiaries for the provision of property management services, construction services, agency services or materials on normal commercial terms.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 43 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

## (d) Key management compensation

The aggregate amounts of emoluments paid or payable to key management of the Group are as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Fees  | 1,804           | 1,773           |
| Other emoluments:   |                 |                 |
| Basis salaries, housing allowances, other allowances and benefits in kind | 5,387           | 7,444           |
| Pension costs   | 240             | 258             |
|   | <b>7,431</b>    | <b>9,475</b>    |

## (e) Received guarantees

Guangzhou Yue Xiu provides a corporate guarantee for the borrowings of the Group amounting to approximately RMB25,519 million as at 31 December 2025 (2024: RMB25,524 million).

## (f) Provision of guarantees

The Group provides guarantees for the borrowings of associates and joint ventures, as further detailed in note 39 to the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 44 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

## 2025

*Financial assets*

|  | Financial assets at fair value through profit or loss - Mandatorily designated as such<br>RMB'000 | Financial assets at fair value through other comprehensive income - Equity investments<br>RMB'000 | Financial assets at amortised cost<br>RMB'000 | Total<br>RMB'000 |
|--|---|---|---|------------------|
| Financial assets at fair value through other comprehensive income        | —   | 966,889   | —   | 966,889          |
| Derivative financial instruments   | 4,421   | —   | —   | 4,421            |
| Trade and note receivables   | —   | —   | 1,515,676                                     | 1,515,676        |
| Financial assets included in other receivables, prepayments and deposits | —   | —   | 47,571,908                                    | 47,571,908       |
| Time deposits and other restricted deposits - non-current portion        | —   | —   | 1,404,468                                     | 1,404,468        |
| Time deposits  | —   | —   | 4,516   | 4,516            |
| Charged bank deposits  | —   | —   | 12,826,681                                    | 12,826,681       |
| Cash and cash equivalents  | —   | —   | 32,524,986                                    | 32,524,986       |
| Total  | 4,421   | 966,889   | 95,848,235                                    | 96,819,545       |

*Financial liabilities*

|  | Financial liabilities at fair value through profit or loss<br>RMB'000 | Financial liabilities at amortised cost<br>RMB'000 | Total<br>RMB'000 |
|--|---|--|------------------|
| Trade and note payables  | —   | 2,917,782  | 2,917,782        |
| Financial liabilities included in other payables and accrued charges | —   | 79,711,828   | 79,711,828       |
| Borrowings   | —   | 104,826,962  | 104,826,962      |
| Derivative financial instruments                                     | 111,672   | —  | 111,672          |
| Total  | 111,672   | 187,456,572  | 187,568,244      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 44 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

## 2024

*Financial assets*

|  | Financial assets at fair value through profit or loss - Mandatorily designated as such<br>RMB'000 | Financial assets at FVOCI - Equity investments<br>RMB'000 | Financial assets at amortised cost<br>RMB'000 | Total<br>RMB'000   |
|--|---|---|---|--------------------|
| Financial assets at fair value through other comprehensive income        | —   | 967,085   | —   | 967,085            |
| Derivative financial instruments   | 121,037   | —   | —   | 121,037            |
| Trade and note receivables   | —   | —   | 1,307,480                                     | 1,307,480          |
| Financial assets included in other receivables, prepayments and deposits | —   | —   | 49,053,626                                    | 49,053,626         |
| Time deposits and other restricted deposits - non-current portion        | —   | —   | 2,293,280                                     | 2,293,280          |
| Time deposits  | —   | —   | 467,260                                       | 467,260            |
| Charged bank deposits  | —   | —   | 17,560,393                                    | 17,560,393         |
| Cash and cash equivalents  | —   | —   | 29,728,316                                    | 29,728,316         |
| <b>Total</b>   | <b>121,037</b>  | <b>967,085</b>  | <b>100,410,355</b>                            | <b>101,498,477</b> |

*Financial liabilities*

|  | Financial liabilities at fair value through profit or loss<br>RMB'000 | Financial liabilities at amortised cost<br>RMB'000 | Total<br>RMB'000   |
|--|---|--|--------------------|
| Trade and note payables  | —   | 1,559,766  | 1,559,766          |
| Financial liabilities included in other payables and accrued charges | —   | 100,821,246  | 100,821,246        |
| Borrowings   | —   | 103,888,742  | 103,888,742        |
| Derivative financial instruments                                     | 9,038   | —  | 9,038              |
| <b>Total</b>   | <b>9,038</b>  | <b>206,269,754</b>                                 | <b>206,278,792</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 45 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

|                                  | Carrying amounts |                 | Fair values     |                 |
|----------------------------------|------------------|-----------------|-----------------|-----------------|
|                                  | 2025<br>RMB'000  | 2024<br>RMB'000 | 2025<br>RMB'000 | 2024<br>RMB'000 |
| <b>Financial assets</b>          |                  |                 |                 |                 |
| Financial assets at FVOCI        | 966,889          | 967,085         | 966,889         | 967,085         |
| Derivative financial instruments | 4,421            | 121,037         | 4,421           | 121,037         |
| Total                            | 971,310          | 1,088,122       | 971,310         | 1,088,122       |
| <b>Financial liabilities</b>     |                  |                 |                 |                 |
| Borrowings                       | 104,826,962      | 103,888,742     | 104,826,962     | 103,888,742     |
| Derivative financial instruments | 111,672          | 9,038           | 111,672         | 9,038           |
| Total                            | 104,938,634      | 103,897,780     | 104,938,634     | 103,897,780     |

Management has assessed that the fair values of trade and notes receivables, other receivables, charged bank deposits, cash and cash equivalents, trade and notes payables, financial instruments included in other payables and accrued charges approximate to their carrying amounts largely due to the interest rate for receivable/payable is close to current market rates or the instruments are short-term in nature.

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes, including level 3 fair values. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of interest-bearing bank loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for borrowings as at 31 December 2025 were assessed to be insignificant.
- The fair values of financial assets at FVOCI are determined using either (1) the Guideline Public Company Method by using the appropriate market multiples of comparable public company peers in the same or a similar industry; or (2) the Summation Method by the addition of the separate values of their components.
- The fair values of foreign currency forward contracts are determined using present value of future cash flows based on the forward exchange rates at the end of reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 45 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments:

| Description              | Fair value at<br>31 December<br>2025<br>RMB'000 | Valuation technique             | Unobservable inputs  | Weighted average    |
|--------------------------|---|---------------------------------|--|---------------------|
| Unlisted equity security | 4,221   | Summation method                | Value of each asset/liability  | N/A                 |
| Unlisted equity security | 962,668   | Guideline public company method | (1) Discount of lack of marketability<br>(2) Applicable Price Earnings Ratio | (1) 40%<br>(2) 9.70 |

| Description              | Fair value at<br>31 December 2024<br>RMB'000 | Valuation technique             | Unobservable inputs  | Weighted average    |
|--------------------------|--|---------------------------------|--|---------------------|
| Unlisted equity security | 4,417  | Summation method                | Value of each asset/liability  | N/A                 |
| Unlisted equity security | 962,668                                      | Guideline public company method | (1) Discount of lack of marketability<br>(2) Applicable Price Earnings Ratio | (1) 40%<br>(2) 9.70 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 45 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

**Fair value hierarchy**

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

**Assets measured at fair value:****As at 31 December 2025**

|   | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|---|---|---|---|------------------|
|   | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Derivative financial instrument – foreign<br>currency forward contracts (note 32) | —   | 4,421   | —   | 4,421            |
| Financial assets at FVOCI (note 20)   | —   | —   | 966,889   | 966,889          |
| Total   | —   | 4,421   | 966,889   | 971,310          |

**As at 31 December 2024**

|   | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|---|---|---|---|------------------|
|   | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Derivative financial instrument – foreign<br>currency forward contracts (note 32) | —   | 121,037   | —   | 121,037          |
| Financial assets at FVOCI (note 20)   | —   | —   | 967,085   | 967,085          |
| Total   | —   | 121,037   | 967,085   | 1,088,122        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 45 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

**Fair value hierarchy (Continued)***The movements in fair value measurements within Level 3 during the year are as follows:*

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Equity investments at fair value through other comprehensive income |                 |                 |
| At 1 January  | 967,085         | 999,130         |
| Total losses recognised in other comprehensive income               | (196)           | (32,045)        |
| At 31 December  | <u>966,889</u>  | <u>967,085</u>  |

*Liabilities measured at fair value:***As at 31 December 2025**

|                                  | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|----------------------------------|---|---|---|------------------|
|                                  | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Derivative financial instruments | —   | 111,672   | —   | 111,672          |

## As at 31 December 2024

|                                  | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|----------------------------------|---|---|---|------------------|
|                                  | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Derivative financial instruments | —   | 9,038   | —   | 9,038            |

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 45 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

**Fair value hierarchy (Continued)***Liabilities disclosed at fair value:***As at 31 December 2025**

|            | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|------------|---|---|---|------------------|
|            | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Borrowings | —   | 104,826,962   | —   | 104,826,962      |

As at 31 December 2024

|            | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|------------|---|---|---|------------------|
|            | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Borrowings | —   | 103,888,742   | —   | 103,888,742      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 and price 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.

#### Market risk

##### (i) Foreign exchange risk

A majority of the subsidiaries of the Group operate in Chinese mainland with most of their transactions denominated in RMB. The Group is exposed to foreign exchange risk arising from the exposure of RMB against Hong Kong dollars ("HKD") and United States dollars ("USD") for certain cash and bank balances of approximately RMB2,796 million (2024: RMB782 million) and borrowings of approximately RMB6,581 million (2024: RMB3,059 million) which were denominated in HKD and cash and bank balances of approximately RMB3,774 million (2024: RMB20million) and borrowings of approximately RMB5,581 million (2024: RMB5,741 million) which were denominated in USD as at 31 December 2025. The Group has entered into several forward exchange contracts to hedge its exposure to foreign currency risk during the year ended 31 December 2025.

At 31 December 2025, if RMB had strengthened/weakened by 5 percent against HKD and USD with all other variables held constant (assuming no capitalisation of exchange difference), post-tax profit for the year would have been approximately RMB16 million lower/higher (2024: post-tax profit RMB85 million higher/lower), mainly as a result of the net foreign exchange gains on translation of monetary assets and liabilities denominated in HKD and USD.

##### (ii) Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings at fixed rate which expose the Group to fair value interest rate risk. Borrowings at variable rates expose the Group to cash flow interest rate risk. The Group closely monitors the trend of interest rates and its impact on the Group's interest rate risk exposure. As at 31 December 2025, fixed interest rate borrowings accounted for approximately 45% (2024: 44%) of the total borrowings.

At 31 December 2025, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been approximately RMB86 million lower/higher (2024: post-tax profit RMB87 million lower/higher) respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

##### (iii) Price risk

The Group is exposed to equity securities price risk in its financial assets at FVOCI. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its investment portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The financial assets at FVOCI are mainly unlisted equity instruments in Chinese mainland and if the fair value of these equity investments had increased or decreased by 10 percent, the Group's equity would have been increased or decreased by approximately RMB66 million in 2025 (2024: RMB66 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****Credit risk**

The Group is exposed to credit risk in relation to its cash and cash equivalents, charged bank deposits, trade and notes receivables, and other receivables, including amounts due from related parties.

The carrying amounts of trade and notes receivables, other receivables, cash and cash equivalents and charged bank deposits represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, cash at banks and charged bank deposits are placed with highly reputable financial institutions. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayment. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest. Under such circumstances, the Group is able to forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group also provides certain financial guarantee to associates and joint ventures. As the associates and joint ventures have strong capacity to meet their contractual cash flow obligations, the Group has assessed that the expected credit loss is immaterial. Detailed disclosure of these guarantees is set out in note 39 to the financial statements.

For trade and other receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at year end to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

**Credit risk (Continued)**

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**As at 31 December 2025**

|                                     | Property management segment |              |              |              | Other segments                   |                                     | Total     |
|-------------------------------------|-----------------------------|--------------|--------------|--------------|----------------------------------|-------------------------------------|-----------|
|                                     | Up to 1 year                | 1 to 2 years | 2 to 3 years | Over 3 years | Balances with known insolvencies | Balances without known insolvencies |           |
| Expected credit loss rate           | 5%                          | 30%          | 50%          | 100%         | 100%                             | —*                                  |           |
| Gross carrying Amount<br>(RMB'000)  | 399,420                     | 82,697       | 4,430        | 18,217       | 2,215                            | 1,050,600                           | 1,557,579 |
| Expected credit losses<br>(RMB'000) | 19,971                      | 24,809       | 2,215        | 18,217       | 2,215                            | —                                   | 67,427    |

**As at 31 December 2024**

|                                     | Property management segment |              |              |              | Other segments                   |                                     | Total     |
|-------------------------------------|-----------------------------|--------------|--------------|--------------|----------------------------------|-------------------------------------|-----------|
|                                     | Up to 1 year                | 1 to 2 years | 2 to 3 years | Over 3 years | Balances with known insolvencies | Balances without known insolvencies |           |
| Expected credit loss rate           | 5%                          | 30%          | 50%          | 100%         | 100%                             | —*                                  |           |
| Gross carrying amount<br>(RMB'000)  | 332,740                     | 37,817       | 5,148        | 14,534       | 577                              | 905,717                             | 1,296,533 |
| Expected credit losses<br>(RMB'000) | 16,637                      | 11,345       | 2,574        | 14,534       | 577                              | —                                   | 45,667    |

\* The balances as at 31 December 2025 and 2024 were due from related parties and diversified creditworthy third parties and the expected credit loss rate was less than 0.01%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

**Credit risk (Continued)****Maximum exposure and year-end staging**

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

**As at 31 December 2025**

|   | 12-month ECLs<br>Stage 1<br>RMB'000 | Lifetime ECLs<br>Simplified<br>approach<br>RMB'000 | Total<br>RMB'000  |
|---|-------------------------------------|--|-------------------|
| Trade and notes receivables*  | —                                   | 1,583,103  | 1,583,103         |
| Financial assets included in other receivables,<br>prepayments and deposits** | 47,597,521                          | —  | 47,597,521        |
| Time deposits and other restricted deposits<br>- non-current portion          | 1,404,468                           | —  | 1,404,468         |
| Time deposits   | 4,516                               | —  | 4,516             |
| Charged bank deposits   | 12,826,681                          | —  | 12,826,681        |
| Cash and cash equivalents   | 32,524,986                          | —  | 32,524,986        |
| <b>Total</b>  | <b>94,358,172</b>                   | <b>1,583,103</b>                                   | <b>95,941,275</b> |

**As at 31 December 2024**

|   | 12-month ECLs<br>Stage 1<br>RMB'000 | Lifetime ECLs<br>Simplified<br>approach<br>RMB'000 | Total<br>RMB'000   |
|---|-------------------------------------|--|--------------------|
| Trade and notes receivables*  | —                                   | 1,353,147  | 1,353,147          |
| Financial assets included in other receivables,<br>prepayments and deposits** | 49,076,524                          | —  | 49,076,524         |
| Time deposits and other restricted deposits<br>- non-current portion          | 2,293,280                           | —  | 2,293,280          |
| Time deposits   | 467,260                             | —  | 467,260            |
| Charged bank deposits   | 17,560,393                          | —  | 17,560,393         |
| Cash and cash equivalents   | 29,728,316                          | —  | 29,728,316         |
| <b>Total</b>  | <b>99,125,773</b>                   | <b>1,353,147</b>                                   | <b>100,478,920</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

**Credit risk (Continued)****Maximum exposure and year-end staging**

- \* For trade and notes receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 25 to the financial statements.
- \*\* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and notes receivables are disclosed in note 25 to the financial statements.

**Liquidity risk**

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facilities and cash and cash equivalents (note 27) on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The table below analyses the Group's financial liabilities and lease liabilities by maturity grouping at the end of reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows.

|   | On demand<br>or less than<br>1 year<br>RMB'000 | Between<br>1 and 2 years<br>RMB'000 | Between<br>2 and 5 years<br>RMB'000 | Over 5 years<br>RMB'000 | Total<br>RMB'000 |
|---|--|-------------------------------------|-------------------------------------|-------------------------|------------------|
| At 31 December 2025   |  |                                     |                                     |                         |                  |
| Borrowings (principal amount plus interest)   | 29,936,884                                     | 29,220,566                          | 38,909,708                          | 14,478,418              | 112,545,576      |
| Trade and notes payables (note 28)  | 2,917,782                                      | —                                   | —                                   | —                       | 2,917,782        |
| Other payables and accrued charges (excluding<br>accrued employee benefit costs and value-added<br>tax payables and other taxes payables) | 79,711,828                                     | —                                   | —                                   | —                       | 79,711,828       |
| Lease liabilities   | 228,284  | 148,703                             | 262,858                             | 130,635                 | 770,480          |
| Derivative financial instruments  | 80,966   | 30,706                              | —                                   | —                       | 111,672          |
| Total   | 112,911,169                                    | 29,424,024                          | 39,235,189                          | 14,640,338              | 196,210,720      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## Liquidity risk (Continued)

|  | On demand<br>or less than<br>1 year<br>RMB'000 | Between 1<br>and 2 years<br>RMB'000 | Between 2<br>and 5 years<br>RMB'000 | Over 5 years<br>RMB'000 | Total<br>RMB'000   |
|--|--|-------------------------------------|-------------------------------------|-------------------------|--------------------|
| At 31 December 2024  |  |                                     |                                     |                         |                    |
| Borrowings (principal amount plus interest)  | 27,459,858                                     | 36,755,226                          | 36,134,804                          | 14,239,252              | 114,589,140        |
| Trade and notes payables (note 28)   | 1,559,766                                      | —                                   | —                                   | —                       | 1,559,766          |
| Other payables and accrued charges<br>(excluding accrued employee benefit costs<br>and value-added tax payables and other<br>taxes payables) | 100,494,200                                    | 496,334                             | 112,241                             | —                       | 101,102,775        |
| Lease liabilities  | 274,330  | 189,009                             | 334,526                             | 110,836                 | 908,701            |
| Derivative financial instruments   | —  | —                                   | 9,038                               | —                       | 9,038              |
| Total  | <u>129,788,154</u>                             | <u>37,440,569</u>                   | <u>36,590,609</u>                   | <u>14,350,088</u>       | <u>218,169,420</u> |

The Group is also exposed to liquidity risk through the granting of financial guarantees, further details of which are disclosed in note 39 to the financial statements. The earliest period in which the guarantee could be called is less than 12 months.

## Transfers of financial assets

At 31 December 2025, certain subsidiaries of the Group entered into trade receivable factoring arrangements ("Arrangements") with banks and other financial institutions to transfer certain trade receivables (the "Factored Trade Receivables") with a carrying amount in aggregate of RMB466,123,000. Under the Arrangements, the financial institutions assumed the credit risk of the debtors and the Group is required to bear corresponding default risks or repurchase the Factored Trade Receivables in the event of commercial disputes (including but not limited to disputes relating to product quality, project progress or contract performance) with the debtors (the "Continuing Involvement"). In the opinion of the directors, the risk of the Group being claimed in the event of commercial disputes is remote and the Group has transferred substantially all risks and rewards relating to the Factored Trade Receivables. Accordingly, the Group has derecognised the full carrying amounts of the Factored Trade Receivables. The maximum exposure to loss from the Group's Continuing Involvement in the Factored Trade Receivables and the undiscounted cash flows to repurchase these Factored Trade Receivables is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Factored Trade Receivables are not significant.

During the year ended 31 December 2025, the Group has recognised expenses of RMB10,951,000 on the date of transfer of the Factored Trade Receivables. No gains or losses were recognised from the Continuing Involvement, both during the year and cumulatively. The factoring arrangements have been made evenly throughout the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

**Capital management**

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and 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 declared to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's policy is to borrow centrally, using a mixture of long-term and short-term borrowing facilities, to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are on-lent or contributed as equity to certain subsidiaries.

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 and lease liabilities less cash and cash equivalents. 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<br>RMB'000   | 2024<br>RMB'000 |
| Total borrowings (note 31)   | 104,826,962       | 103,888,742     |
| Lease liabilities (note 16)  | 680,487           | 787,711         |
| Less: Cash and cash equivalents and current portion of time deposits (note 27) | (32,529,502)      | (30,195,576)    |
| Net debt   | 72,977,947        | 74,480,877      |
| Total equity (including non-controlling interests)                             | 105,832,388       | 104,079,168     |
| Total capital  | 178,810,335       | 178,560,045     |
| Gearing ratio  | 40.8%             | 41.7%           |

The slight decrease in the gearing ratio during 2025 is primarily due to the decrease in net debt of the Group at the end of year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 47 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

|  | 2025<br>RMB'000   | 2024<br>RMB'000 |
|--|-------------------|-----------------|
| <b>ASSETS</b>                                |                   |                 |
| <b>Non-current assets</b>                    |                   |                 |
| Property, plant and equipment                | 5,403             | 6,141           |
| Intangible assets                            | 9                 | 13              |
| Investment properties                        | 9,032             | 9,446           |
| Right-of-use asset                           | 2,079             | 4,158           |
| Interests in subsidiaries                    | 41,526,920        | 41,205,667      |
| Interests in associates                      | 77,163            | 26,955          |
| Derivative financial assets                  | —                 | 121,037         |
|  | <b>41,620,606</b> | 41,373,417      |
| <b>Current assets</b>                        |                   |                 |
| Other receivables, prepayments and deposits  | 1,069             | 910             |
| Amounts due from subsidiaries                | 22,672,923        | 20,416,671      |
| Derivative financial assets                  | 4,421             | —               |
| Cash and bank balances                       | 7,385,308         | 689,526         |
|  | <b>30,063,721</b> | 21,107,107      |
| <b>LIABILITIES</b>                           |                   |                 |
| <b>Current liabilities</b>                   |                   |                 |
| Amounts due to subsidiaries                  | 2,178,618         | 1,940,250       |
| Amounts due to immediate holding company     | 3,953,577         | 1,635,826       |
| Other payables and accrued charges           | 123,158           | 61,164          |
| Borrowings                                   | 2,476,114         | 879,738         |
| Derivative financial instruments             | 80,966            | —               |
|  | <b>8,812,433</b>  | 4,516,978       |
| <b>Net current assets</b>                    | <b>21,251,288</b> | 16,590,129      |
| <b>Total assets less current liabilities</b> | <b>62,871,894</b> | 57,963,546      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 47 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

|   | 2025<br>RMB'000   | 2024<br>RMB'000   |
|---|-------------------|-------------------|
| <b>Non-current liabilities</b>  |                   |                   |
| Amount due to a subsidiary  | 30,865,842        | 28,617,574        |
| Borrowings  | 4,293,537         | 2,179,861         |
| Lease liabilities   | 2,107             | 4,204             |
| Derivative financial instruments  | 30,706            | 9,038             |
|   | <u>35,192,192</u> | <u>30,810,677</u> |
| <b>Net assets</b>   | <u>27,679,702</u> | <u>27,152,869</u> |
| <b>EQUITY</b>   |                   |                   |
| <b>Capital and reserves attributable to equity holders of the Company</b> |                   |                   |
| Share capital   | 25,545,008        | 25,545,008        |
| Shares held under share award scheme                                      | (26,309)          | (54,337)          |
| Reserves (note)   | 2,161,003         | 1,662,198         |
| <b>Total equity</b>   | <u>27,679,702</u> | <u>27,152,869</u> |

**Lin Zhaoyuan**  
Director

**Zhu Huisong**  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 47 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

Reserves

|  | Hedging reserve<br>RMB'000 | Retained earnings<br>RMB'000 | Total<br>RMB'000 |
|--|----------------------------|------------------------------|------------------|
| At 1 January 2025                            | (87,809)                   | 1,750,007                    | 1,662,198        |
| Profit for the year                          | —                          | 1,013,366                    | 1,013,366        |
| Gains on cash flow hedges                    | (317,393)                  | —                            | (317,393)        |
| Costs of hedging                             | 135,024                    | —                            | 135,024          |
| Hedging gains reclassified to profit or loss | 276,980                    | —                            | 276,980          |
| Dividends paid                               | —                          | (609,172)                    | (609,172)        |
| At 31 December 2025                          | 6,802                      | 2,154,201                    | 2,161,003        |

|  | Hedging reserve<br>RMB'000 | Retained earnings<br>RMB'000 | Total<br>RMB'000 |
|--|----------------------------|------------------------------|------------------|
| At 1 January 2024                            | (172,175)                  | 2,164,216                    | 1,992,041        |
| Profit for the year                          | —                          | 832,606                      | 832,606          |
| Gains on cash flow hedges                    | 136,117                    | —                            | 136,117          |
| Costs of hedging                             | 5,709                      | —                            | 5,709            |
| Hedging gains reclassified to profit or loss | (57,460)                   | —                            | (57,460)         |
| Dividends paid                               | —                          | (1,246,815)                  | (1,246,815)      |
| At 31 December 2024                          | (87,809)                   | 1,750,007                    | 1,662,198        |

## 48 EVENTS AFTER THE REPORTING PERIOD

On 6 February 2026, a wholly-owned subsidiary of the Company issued guaranteed green notes of RMB1,735,000,000 through The Stock Exchange of Hong Kong Limited, with an interest rate of 3.40% per annum and a maturity of 3 years.

On 10 February 2026, China Securities Regulatory Commission approved the application of a 95%-owned subsidiary of the Company for the public issuance of guaranteed interest-bearing corporate bonds with an aggregate principal amount of up to RMB700,000,000 to qualified investors in China. The bonds were issued with a fixed term of 7 years at a coupon rate of 2.18% per annum, with the option to adjust the coupon rate at the end of the fifth year.

## 49 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

# GROUP STRUCTURE

31 December 2025

As at 31 December 2025, the Company held shares/interests in the following principal subsidiaries, joint ventures and associates.

| Company   | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities  |
|---|---|--|---|-------|-----------------------|
|   |   |  | 2025  | 2024  |                       |
|   |   |  |   |       |                       |
| <b>Principal subsidiaries</b>   |   |  |   |       |                       |
| Acon Investment Ltd.  | British Virgin Islands  | 1 Ordinary share of USD1 each                                    | 100   | 100   | Investment holding    |
| Charm Smart Development Limited   | Hong Kong   | HKD2   | 100   | 100   | Property development  |
| Companhia de Fomento Predial<br>Yue Xiu (Macau), Limitada                   | Macau   | 2 shares of MOP 198,000 and<br>2 shares of MOP 2,000             | 100   | 100   | Property development  |
| Dragon Yield Holding Limited  | British Virgin Islands  | 1 Ordinary share of USD1 each                                    | 100   | 100   | Investment holding    |
| Extra Act Limited   | Hong Kong   | HKD1,000   | 100   | 100   | Investment holding    |
| Fundscore Development Limited   | Hong Kong   | HKD500,000   | 100   | 100   | Property investment   |
| Guangzhou Charcon Real Estate<br>Co., Ltd.                                  | China, limited<br>liability company   | Registered capital<br>HKD3,000,000                               | 100   | 100   | Property development  |
| Guangzhou City Construction &<br>Development Co. Ltd.                       | China, limited<br>liability company   | Registered capital<br>RMB6,600,000,000                           | 95  | 95    | Property development  |
| Guangzhou City Construction &<br>Development Decoration Ltd.                | China, limited<br>liability company   | Registered capital<br>RMB18,200,000                              | 98.62   | 98.62 | Decoration and design |
| Guangzhou City Construction &<br>Development Group Nansha<br>Co. Ltd.       | China, limited<br>liability company   | Registered capital<br>RMB500,000,000                             | 95.48   | 95.48 | Property development  |
| Guangzhou City Construction &<br>Development Jingcheng<br>Property Co. Ltd. | China, limited<br>liability company   | Registered capital<br>RMB13,712,500                              | 99.75   | 99.75 | Property development  |
| Guangzhou Yuexiu Property<br>Development Co., Ltd                           | China, limited<br>liability company   | Registered capital<br>RMB100,000,000                             | 67.81   | 67.44 | Property management   |
| Guangzhou Yuejian Project<br>Management Co., Ltd.                           | China, limited<br>liability company   | Registered capital<br>RMB11,520,000                              | 100   | 100   | Project management    |
| Guangzhou City Construction &<br>Development Weicheng<br>Enterprise Ltd.    | China, limited<br>liability company   | Registered capital<br>RMB955,300                                 | 67.81   | 67.44 | Property management   |
| Guangzhou Yuexiu Xingye<br>Property Agent Ltd.                              | China, limited<br>liability company   | Registered capital<br>RMB37,520,000                              | 97.6  | 97.6  | Real estate agency    |
| Guangzhou Construction & Development<br>Holdings (China) Limited            | British Virgin Islands  | 1 Ordinary share of USD1 each                                    | 100   | 100   | Investment holding    |
| Guangzhou White Horse Clothings<br>Market Ltd.                              | China, limited<br>liability company   | Registered capital<br>RMB118,873,900                             | 100   | 100   | Property investment   |
| Guangzhou Yuexiu Yicheng Business<br>Operation Management Co., Ltd.         | China, limited<br>liability company   | Registered capital<br>RMB100,000,000                             | 67.81   | 67.44 | Property management   |
| Hangzhou Yuexiu Property<br>Development Limited                             | China, limited<br>liability company   | Registered capital<br>USD529,070,000                             | 100   | 100   | Property development  |

## GROUP STRUCTURE

31 December 2025

| Company                                 | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities         |
|---|---|--|---|-------|------------------------------|
|   |   |  | 2025  | 2024  |                              |
|   |   |  | <b>Principal subsidiaries (Continued)</b>           |       |                              |
| Honstar Investments Limited             | British Virgin Islands  | 1 Ordinary share of USD1 each                                    | 100   | 100   | Investment holding           |
| Jamsin Limited                          | Hong Kong   | HKD2   | 100   | 100   | Property holding             |
| Leading Affluence Limited               | Hong Kong   | HKD1   | 100   | 100   | Financing services           |
| Merry Growth Development Limited        | Hong Kong   | HKD100   | 100   | 100   | Property investment          |
| Westwood Group Holdings Limited         | Hong Kong   | HKD1   | 100   | 100   | Financing services           |
| Yue Xiu APT Parking Limited             | Hong Kong   | HKD28,010,000  | 67.81   | 67.44 | Car parking management       |
| Yue Xiu Property Agency Limited         | Hong Kong   | HKD2   | 100   | 100   | Property agency services     |
| Yue Xiu Property Management Limited     | Hong Kong   | HKD10,000  | 67.81   | 67.44 | Building management services |
| Yuexiu Property (B.V.I.) Limited        | British Virgin Islands  | 1 Ordinary share of USD1 each                                    | 100   | 100   | Investment holding           |
| Yuexiu Property (China) Company Limited | British Virgin Islands  | 5,000 Ordinary shares of HKD1 each                               | 100   | 100   | Investment holding           |
| Yuexiu Property (HK) Company Limited    | British Virgin Islands  | 1 Ordinary share of HKD1 each                                    | 100   | 100   | Investment holding           |
| Yuexiu Property (Macau) Company Limited | British Virgin Islands  | 1 Ordinary share of HKD1 each                                    | 100   | 100   | Investment holding           |
| Yuexiu International Investment Limited | British Virgin Islands  | 1 Ordinary share of USD1 each                                    | 100   | 100   | Investment holding           |
| Yuexiu Services Group Limited           | Hong Kong   | HKD3,041,453,175.20  | 67.81   | 67.44 | Investment holding           |
| 海南白馬建設開發有限公司                            | China, limited liability company  | Registered capital RMB523,613,085                                | 47.5  | 47.5  | Property development         |
| 煙台越秀地產開發有限公司                            | China, limited liability company  | Registered capital RMB560,000,000                                | 100   | 100   | Property development         |
| 中山市越秀地產開發有限公司                           | China, limited liability company  | Registered capital RMB3,005,000,000                              | 95  | 95    | Property development         |
| 青島越秀地產開發有限公司                            | China, limited liability company  | Registered capital HKD2,289,000,000                              | 100   | 100   | Property development         |
| 廣州東秀房地產開發有限公司                           | China, limited liability company  | Registered capital RMB3,000,000                                  | 95.48   | 95.48 | Property development         |
| 瀋陽嶺海房地產有限公司                             | China, limited liability company  | Registered capital USD59,800,000                                 | 99.95   | 99.95 | Property development         |
| 瀋陽越秀地產有限公司                              | China, limited liability company  | Registered capital HKD2,910,000,000                              | 100   | 100   | Property development         |
| 廣州悦秀會信息科技有限公司                           | China, limited liability company  | Registered capital RMB5,000,000                                  | 67.81   | 67.44 | Property management          |
| 廣州市悦冠智能科技有限公司                           | China, limited liability company  | Registered capital RMB20,000,000                                 | 67.81   | 67.44 | Property management          |
| 廣州東輝房地產開發有限公司                           | China, limited liability company  | Registered capital RMB300,000,000                                | 95  | 95    | Property development         |

## GROUP STRUCTURE

31 December 2025

| Company                                   | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities |
|---|---|--|---|-------|----------------------|
|   |   |  | 2025  | 2024  |                      |
|   |   |  |   |       |                      |
| <b>Principal subsidiaries (Continued)</b> |   |  |   |       |                      |
| 廣州越投商業保理有限公司                              | China, limited liability company  | Registered capital RMB300,000,000                                | <b>96.69</b>  | 96.69 | Trade finance        |
| 廣州盈勝投資有限公司                                | China, limited liability company  | Registered capital RMB90,000,000                                 | <b>95.48</b>  | 95.48 | Property management  |
| 廣州東耀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB2,000,000,000                              | <b>48.69</b>  | 48.69 | Property development |
| 廣州中環慧富房地產開發有限公司                           | China, limited liability company  | Registered capital RMB4,160,000                                  | <b>95.48</b>  | 95.48 | Property development |
| 杭州燄樂實業投資有限公司                              | China, limited liability company  | Registered capital RMB10,067,250                                 | <b>95</b>   | 95    | Property investment  |
| 蘇州向東島房地產開發有限公司                            | China, limited liability company  | Registered capital RMB540,000,000                                | <b>47.74</b>  | 47.74 | Property development |
| 廣州越秀商業地產經營管理有限公司                          | China, limited liability company  | Registered capital RMB1,000,000                                  | <b>100</b>  | 100   | Commercial services  |
| 廣州雋景一號房地產開發有限公司                           | China, limited liability company  | Registered capital RMB1,500,000,000                              | <b>100</b>  | 100   | Property development |
| 鶴山市越恒房地產開發有限公司                            | China, limited liability company  | Registered capital RMB1,210,000,000                              | <b>95</b>   | 95    | Property development |
| 廣州宏勝房地產開發有限公司                             | China, limited liability company  | Registered capital RMB3,598,000,000                              | <b>50.91</b>  | 50.91 | Property development |
| 武漢康景實業投資有限公司                              | China, limited liability company  | Registered capital RMB11,570,800,000                             | <b>99.64</b>  | 99.64 | Property development |
| 青島東耀房地產開發有限公司                             | China, limited liability company  | Registered capital USD120,000,000                                | <b>51</b>   | 51    | Property development |
| 蘇州燄燄房地產開發有限公司                             | China, limited liability company  | Registered capital RMB550,000,000                                | <b>95</b>   | 95    | Property development |
| 廣州雋越房地產開發有限責任公司                           | China, limited liability company  | Registered capital RMB2,000,000,000                              | <b>95</b>   | 95    | Property development |
| 青島雲佳房地產開發有限公司                             | China, limited liability company  | Registered capital RMB850,000,000                                | <b>99.5</b>   | 99.5  | Property development |
| 廣州市品秀房地產開發有限公司                            | China, limited liability company  | Registered capital RMB6,343,780,000                              | <b>82.11</b>  | 82.11 | Property development |
| 廣州宏耀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB900,000,000                                | <b>62.06</b>  | 62.06 | Property development |
| 佛山市南海區越匯房地產開發有限公司                         | China, limited liability company  | Registered capital RMB3,000,000,000                              | <b>95</b>   | 95    | Property development |
| 青島康景實業有限公司                                | China, limited liability company  | Registered capital RMB842,011,262                                | <b>100</b>  | 100   | Property development |

## GROUP STRUCTURE

31 December 2025

| Company           | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities |
|-------------------|---|--|---|-------|----------------------|
|                   |   |  | 2025  | 2024  |                      |
|                   |   |  | <b>Principal subsidiaries (Continued)</b>           |       |                      |
| 廣州市潤意房地產開發有限公司    | China, limited liability company  | Registered capital RMB1,000,000                                  | 47.5  | 47.5  | Property development |
| 廣州南方智煤產業園有限公司     | China, limited liability company  | Registered capital RMB1,000,000,000                              | 48.69   | 48.69 | Property development |
| 廣州越冠房地產開發有限公司     | China, limited liability company  | Registered capital RMB2,500,000,000                              | 51.39   | 51.39 | Property development |
| 廣州越榮房地產開發有限公司     | China, limited liability company  | Registered capital RMB500,000,000                                | 95.48   | 95.48 | Property development |
| 廣州市品悅房地產開發有限公司    | China, limited liability company  | Registered capital RMB622,600,000                                | 48.69   | 48.69 | Property development |
| 廣州市品薈房地產開發有限公司    | China, limited liability company  | Registered capital RMB3,304,860,000                              | 48.69   | 48.69 | Property development |
| 廣州市從化區越恒房地產開發有限公司 | China, limited liability company  | Registered capital RMB720,000,000                                | 95.48   | 95.48 | Property development |
| 中山越佳房地產開發有限公司     | China, limited liability company  | Registered capital RMB1,260,000,000                              | 95  | 95    | Property development |
| 廣州越創智數信息科技有限公司    | China, limited liability company  | Registered capital RMB8,000,000                                  | 95  | 95    | Commercial services  |
| 廣州悅秀智訊科技信息有限公司    | China, limited liability company  | Registered capital RMB8,000,000                                  | 95  | 95    | Commercial services  |
| 長沙康盛房地產開發有限公司     | China, limited liability company  | Registered capital RMB1,000,000,000                              | 95  | 95    | Property development |
| 廣州越秀城開房地產開發有限公司   | China, limited liability company  | Registered capital RMB3,000,000                                  | 95.48   | 95.48 | Property development |
| 廣州越秀華城房地產開發有限公司   | China, limited liability company  | Registered capital RMB9,490,000,000                              | 95.48   | 95.48 | Property development |
| 廣州市品輝房地產開發有限公司    | China, limited liability company  | Registered capital RMB10,000,000                                 | 48.69   | 48.69 | Property development |
| 廣州市品冠房地產開發有限公司    | China, limited liability company  | Registered capital RMB10,000,000                                 | 48.69   | 48.69 | Property development |
| 重慶越嘉房地產開發有限公司     | China, limited liability company  | Registered capital RMB300,000,000                                | 95.48   | 95.48 | Property development |
| 青島卓城置業有限公司        | China, limited liability company  | Registered capital RMB100,000,000                                | 38.76   | 38.76 | Property development |
| 青島怡城置業有限公司        | China, limited liability company  | Registered capital RMB50,000,000                                 | 38.76   | 38.76 | Property development |
| 南京越勝房地產開發有限公司     | China, limited liability company  | Registered capital RMB326,000,000                                | 32.31   | 32.31 | Property development |

## GROUP STRUCTURE

31 December 2025

| Company                                   | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities  |
|---|---|--|---|-------|-----------------------|
|   |   |  | 2025  | 2024  |                       |
|   |   |  |   |       |                       |
| <b>Principal subsidiaries (Continued)</b> |   |  |   |       |                       |
| 南京市越碧金裝飾有限公司                              | China, limited liability company  | Registered capital RMB100,000                                    | <b>32.31</b>  | 32.31 | Building decoration   |
| 杭州越琛房地產開發有限公司                             | China, limited liability company  | Registered capital RMB684,030,000                                | <b>56.53</b>  | 56.53 | Property development  |
| 寧波悅秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB684,030,000                                | <b>56.53</b>  | 56.53 | Property development  |
| 蘇州榮秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB600,000,000                                | <b>44.53</b>  | 44.53 | Property development  |
| 武漢嘉秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB500,000,000                                | <b>48.45</b>  | 48.45 | Property development  |
| 上海閔瀾房地產開發有限公司                             | China, limited liability company  | Registered capital RMB2,310,500,000                              | <b>52.25</b>  | 52.25 | Property development  |
| 廣州為民康復醫院有限公司                              | China, limited liability company  | Registered capital RMB290,000,000                                | <b>95</b>   | 95    | Hospital              |
| 廣州頤環健康養老服務有限公司                            | China, limited liability company  | Registered capital RMB8,250,000                                  | <b>94.09</b>  | 94.09 | Elderly care services |
| 廣州樾富房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,670,950,000                              | <b>62.06</b>  | 62.06 | Property development  |
| 廣州市佰城投資發展有限公司                             | China, limited liability company  | Registered capital RMB10,000,000                                 | <b>93.57</b>  | 93.57 | Property development  |
| 廣州新越房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,780,000,000                              | <b>95.48</b>  | 95.48 | Property development  |
| 廣州新秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,500,000,000                              | <b>95.48</b>  | 95.48 | Property development  |
| 廣州嶺秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB875,000,000                                | <b>62.06</b>  | 62.06 | Property development  |
| 深圳鵬躍房地產開發有限公司                             | China, limited liability company  | Registered capital RMB5,000,000                                  | <b>95.48</b>  | 95.48 | Property development  |
| 東莞秀美房地產開發有限公司                             | China, limited liability company  | Registered capital RMB937,290,000                                | <b>48.69</b>  | 48.69 | Property development  |
| 中山市泰佳房地產有限公司                              | China, limited liability company  | Registered capital RMB424,520,000                                | <b>57.29</b>  | 57.29 | Property development  |
| 畢節越嘉房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,000,000,000                              | <b>95</b>   | 95    | Property development  |
| 廣州越拓智城技術發展有限公司                            | China, limited liability company  | Registered capital RMB20,000,000                                 | <b>95</b>   | 95    | Technical services    |
| 西安越秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,000,000,000                              | <b>95</b>   | 95    | Property development  |

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31 December 2025

| Company                                   | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities   |
|---|---|--|---|-------|--|
|   |   |  | 2025  | 2024  |  |
| <b>Principal subsidiaries (Continued)</b> |   |  |   |       |  |
| 廣州悅美居實業有限公司                               | China, limited liability company  | Registered capital RMB5,000,000                                  | 67.81   | 67.44 | Property management  |
| 廣州越秀服務有限公司                                | China, limited liability company  | Registered capital RMB850,000,000                                | 67.81   | 67.44 | Investment holding   |
| 廣州城建開發工程造價諮詢有限公司                          | China, limited liability company  | Registered capital RMB1,000,000                                  | 100   | 100   | Technical services   |
| 南京樾弘房地產開發有限公司                             | China, limited liability company  | Registered capital RMB2,484,000,000                              | 97.55   | 97.55 | Property development   |
| 南京樾駿裝飾有限公司                                | China, limited liability company  | Registered capital RMB100,000                                    | 97.55   | 97.55 | Building decoration  |
| 郴州秀城房地產開發有限公司                             | China, limited liability company  | Registered capital USD50,000,000                                 | 100   | 100   | Property development   |
| 廣州天越房地產開發有限公司                             | China, limited liability company  | Registered capital RMB2,360,000,000                              | 95.48   | 95.48 | Property development   |
| 廣州樾海房地產開發有限公司                             | China, limited liability company  | Registered capital RMB600,000,000                                | 95.48   | 95.48 | Property development   |
| 廣州南沙樾越置業有限公司                              | China, limited liability company  | Registered capital RMB560,000,000                                | 95.48   | 95.48 | Property development   |
| 杭州越樂房地產開發有限公司                             | China, limited liability company  | Registered capital RMB600,000,000                                | 59.84   | 59.84 | Property development   |
| 杭州越瓏房地產開發有限公司                             | China, limited liability company  | Registered capital RMB400,000,000                                | 95  | 95    | Property development   |
| 南京越嘉房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,350,000,000                              | 98  | 98    | Property development   |
| 合肥越合房地產開發有限公司                             | China, limited liability company  | Registered capital RMB5,000,000                                  | 100   | 100   | Property development   |
| 成都雋辰房地產開發有限公司                             | China, limited liability company  | Registered capital RMB3,000,000                                  | 95  | 95    | Property development   |
| 成都雋樂房地產開發有限公司                             | China, limited liability company  | Registered capital RMB741,500,000                                | 95  | 95    | Property development   |
| 廣州越秀產業發展有限公司                              | China, limited liability company  | Registered capital RMB100,000,000                                | 100   | 100   | Manufacturing of computers, communication and other electronic equipment |
| 廣州越鑫房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,000,000,000                              | 52.42   | 52.42 | Property development   |

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| Company           | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities |
|-------------------|---|--|---|-------|----------------------|
|                   |   |  | 2025  | 2024  |                      |
|                   |   |  | <b>Principal subsidiaries (Continued)</b>           |       |                      |
| 杭州北匯置業有限公司        | China, limited liability company  | Registered capital RMB20,000,000                                 | 51  | 51    | Property development |
| 杭州濱泓房地產開發有限公司     | China, limited liability company  | Registered capital RMB100,000,000                                | 24.47   | 24.47 | Property development |
| 杭州濱楊房地產開發有限公司     | China, limited liability company  | Registered capital RMB100,000,000                                | 47.98   | 47.98 | Property development |
| 上海錦鈺置業有限公司        | China, limited liability company  | Registered capital RMB2,400,000,000                              | 47.5  | 47.5  | Property development |
| 鄭州越武房地產開發有限公司     | China, limited liability company  | Registered capital RMB1,428,000,000                              | 76  | 76    | Property development |
| 重慶駿勵房地產開發有限公司     | China, limited liability company  | Registered capital RMB1,754,800,124.02                           | 48.69   | 48.69 | Property development |
| 鄭州茂秀置業有限公司        | China, limited liability company  | Registered capital RMB500,000,000                                | 48.45   | 48.45 | Property development |
| 中山建秀房地產開發有限公司     | China, limited liability company  | Registered capital RMB800,000,000                                | 48.45   | 48.45 | Property development |
| 佛山南海區越博房地產開發有限公司  | China, limited liability company  | Registered capital RMB750,000,000                                | 95  | 95    | Property development |
| 佛山市南海區越金房地產開發有限公司 | China, limited liability company  | Registered capital RMB887,570,000                                | 48.45   | 48.45 | Property development |
| 江門越盛房地產開發有限公司     | China, limited liability company  | Registered capital RMB880,000,000                                | 95  | 95    | Property development |
| 佛山市南海區越佳房地產開發有限公司 | China, limited liability company  | Registered capital RMB1,100,000,000                              | 95  | 95    | Property development |
| 上海樾秀房地產開發有限公司     | China, limited liability company  | Registered capital RMB100,000,000                                | 95  | 95    | Property development |
| 杭州濱程房地產開發有限公司     | China, limited liability company  | Registered capital RMB3,000,000,000                              | 38.86   | 38.86 | Property development |
| 濟南越秀地產開發有限公司      | China, limited liability company  | Registered capital RMB100,000,000                                | 95  | 95    | Property development |
| 青島青鐵雋秀置業有限公司      | China, limited liability company  | Registered capital RMB2,054,833,800                              | 51  | 51    | Property development |
| 北京越華房地產開發有限公司     | China, limited liability company  | Registered capital RMB3,967,500,000                              | 48.69   | 48.45 | Property development |
| 廣州樾馳房地產開發有限公司     | China, limited liability company  | Registered capital RMB1,930,467,000                              | 48.69   | 48.69 | Property leasing     |

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| Company         | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities |
|-----------------|---|--|---|-------|----------------------|
|                 |   |  | 2025  | 2024  |                      |
|                 |   |  | <b>Principal subsidiaries (Continued)</b>           |       |                      |
| 深圳越勝房地產開發有限公司   | China, limited liability company  | Registered capital RMB1,098,000,000                              | <b>95.48</b>  | 95.48 | Property development |
| 深圳越泰房地產開發有限公司   | China, limited liability company  | Registered capital RMB957,000,000                                | <b>95.48</b>  | 95.48 | Property development |
| 杭州濱良房地產開發有限公司   | China, limited liability company  | Registered capital RMB1,390,000,000                              | <b>47.98</b>  | 47.98 | Property development |
| 杭州龍塢盛和置業有限公司    | China, limited liability company  | Registered capital RMB2,633,000,000                              | <b>32.14</b>  | 32.14 | Property development |
| 杭州濱躍實業有限公司      | China, limited liability company  | Registered capital RMB1,250,000,000                              | <b>24.23</b>  | 24.23 | Property development |
| 上海樾富房地產開發有限公司   | China, limited liability company  | Registered capital RMB100,000,000                                | <b>95</b>   | 95    | Property development |
| 長沙興秀房地產開發有限公司   | China, limited liability company  | Registered capital RMB100,000,000                                | <b>95</b>   | 95    | Property development |
| 西安越雋恒鐵房地產開發有限公司 | China, limited liability company  | Registered capital RMB708,000,000                                | <b>48.45</b>  | 48.45 | Property development |
| 杭州杭景房地產開發有限公司   | China, limited liability company  | Registered capital RMB1,220,000,000                              | <b>33.67</b>  | 33.67 | Property development |
| 南京越昕房地產開發有限公司   | China, limited liability company  | Registered capital RMB400,000,000                                | <b>100</b>  | 100   | Property development |
| 北京雋秀房地產開發有限公司   | China, limited liability company  | Registered capital RMB3,312,000,000                              | <b>100</b>  | 100   | Property development |
| 北京越星房地產開發有限公司   | China, limited liability company  | Registered capital RMB2,599,000,000                              | <b>95.48</b>  | 100   | Property development |
| 合肥越廬房地產開發有限公司   | China, limited liability company  | Registered capital RMB300,000,000                                | <b>99.64</b>  | 99.64 | Property development |
| 廣州越浩房地產開發有限公司   | China, limited liability company  | Registered capital RMB224,809,400                                | <b>95.48</b>  | 95.48 | Property development |
| 廣州觀湖房地產開發有限公司   | China, limited liability company  | Registered capital RMB582,072,000                                | <b>52.51</b>  | 52.51 | Property development |
| 上海樾興房地產開發有限公司   | China, limited liability company  | Registered capital RMB100,000,000                                | <b>95</b>   | 95    | Property development |
| 上海樾弘房地產開發有限公司   | China, limited liability company  | Registered capital RMB100,000,000                                | <b>95</b>   | 95    | Property development |
| 合肥越駿房地產開發有限公司   | China, limited liability company  | Registered capital RMB500,000,000                                | <b>99.64</b>  | 99.64 | Property development |
| 合肥越錦房地產開發有限公司   | China, limited liability company  | Registered capital RMB300,000,000                                | <b>95.48</b>  | 95.48 | Property development |

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| Company                                   | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities |
|---|---|--|---|-------|----------------------|
|   |   |  | 2025  | 2024  |                      |
|   |   |  |   |       |                      |
| <b>Principal subsidiaries (Continued)</b> |   |  |   |       |                      |
| 北京越昌房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,266,500,000                              | <b>74.73</b>  | 74.73 | Property development |
| 成都秀茂房地產開發有限公司                             | China, limited liability company  | Registered capital RMB462,000,000                                | <b>48.45</b>  | 48.45 | Property development |
| 西安越鼎鐵鑫房地產開發有限公司                           | China, limited liability company  | Registered capital RMB1,515,530,000                              | <b>50.35</b>  | 50.35 | Property development |
| 廣州華秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB270,000,000                                | <b>95.48</b>  | 95.48 | Property development |
| 廣州天盈房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,930,000,000                              | <b>95.48</b>  | 95.48 | Property development |
| 廣州蕃弛房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,742,495,000                              | <b>48.69</b>  | 48.69 | Property leasing     |
| 廣州南沙景秀商業管理有限公司                            | China, limited liability company  | Registered capital RMB1,000,000                                  | <b>100</b>  | 100   | Property leasing     |
| 廣州南沙明越商業管理有限公司                            | China, limited liability company  | Registered capital RMB1,000,000                                  | <b>100</b>  | 100   | Property leasing     |
| 中山銘秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB600,000,000                                | <b>48.45</b>  | 48.45 | Property development |
| 重慶越輝房地產開發有限公司                             | China, limited liability company  | Registered capital RMB420,000,000                                | <b>97.85</b>  | 97.85 | Property development |
| 成都雋城房地產開發有限公司                             | China, limited liability company  | Registered capital RMB10,000,000                                 | <b>99.17</b>  | 99.17 | Property development |
| 成都雋信房地產開發有限公司                             | China, limited liability company  | Registered capital RMB10,000,000                                 | <b>99.17</b>  | 99.17 | Property development |
| 成都雋鼎房地產開發有限公司                             | China, limited liability company  | Registered capital RMB10,000,000                                 | <b>99.17</b>  | 99.17 | Property development |
| 廣州宏睿房地產開發有限公司                             | China, limited liability company  | Registered capital RMB250,000,000                                | <b>95.48</b>  | 95.48 | Property development |
| 廣州越秀康養產業投資控股有限公司                          | China, limited liability company  | Registered capital RMB180,000,000                                | <b>95</b>   | 95    | Commercial services  |
| 廣東龍悅灣投資管理有限公司                             | China, limited liability company  | Registered capital RMB368,643,206                                | <b>50.35</b>  | —     | Property development |
| 上海越招置業有限公司                                | China, limited liability company  | Registered capital RMB1,092,000,000                              | <b>66.50</b>  | —     | Property development |
| 廣州江樾房地產開發有限公司                             | China, limited liability company  | Registered capital RMB440,000,000                                | <b>52.51</b>  | —     | Property development |
| 上海樾潤置業有限公司                                | China, limited liability company  | Registered capital RMB5,268,420,000                              | <b>48.45</b>  | —     | Property development |

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| Company                                   | Place of incorporation/<br>establishment and<br>operation and kind<br>of legal entity | Issued and fully<br>paid up share capital/<br>registered capital | Percentage of equity<br>attributable to the Company |       | Principal activities |
|---|---|--|---|-------|----------------------|
|   |   |  | 2025  | 2024  |                      |
| <b>Principal subsidiaries (Continued)</b> |   |  |   |       |                      |
| 杭州樾祥房地產開發有限公司                             | China, limited liability company  | Registered capital RMB100,000,000                                | 59.84   | —     | Property development |
| 北京越昌貝城置業有限公司                              | China, limited liability company  | Registered capital RMB1,250,000,000                              | 28.64   | —     | Property development |
| 杭州濱馨房地產開發有限公司                             | China, limited liability company  | Registered capital RMB2,000,000,000                              | 36.46   | —     | Property development |
| 杭州越運房地產開發有限公司                             | China, limited liability company  | Registered capital RMB700,000,000                                | 95.00   | —     | Property development |
| 廣州天智房地產開發有限公司                             | China, limited liability company  | Registered capital RMB1,750,000,000                              | 95.48   | —     | Property development |
| 鄭州軌道石橋房地產開發有限公司                           | China, limited liability company  | Registered capital RMB560,000,000                                | 48.45   | —     | Real estate industry |
| 深圳市綠秀地產開發有限責任公司                           | China, limited liability company  | Registered capital RMB729,000,000                                | 47.74   | —     | Property development |
| 廣州新實房地產開發有限公司                             | China, limited liability company  | Registered capital RMB440,000,000                                | 52.51   | —     | Property development |
| 成都雋怡房地產開發有限公司                             | China, limited liability company  | Registered capital RMB10,000,000                                 | 95.43   | 27.73 | Property development |
| 杭州越冠房地產開發有限公司                             | China, limited liability company  | Registered capital RMB800,000,000                                | 38.76   | —     | Property development |
| 北京功意房地產開發有限公司                             | China, limited liability company  | Registered capital RMB3,105,000,000                              | 49.59   | —     | Property development |
| 廣州和秀房地產開發有限公司                             | China, limited liability company  | Registered capital RMB731,500,000                                | 95.48   | —     | Property development |
| 成都樾禧房地產開發有限公司                             | China, limited liability company  | Registered capital RMB10,000,000                                 | 95.00   | —     | Property development |
| 成都雋揚房地產開發有限公司                             | China, limited liability company  | Registered capital RMB10,000,000                                 | 95.43   | 27.73 | Property development |

The above table includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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Details of the Group's principal joint ventures as at 31 December 2025 are as follows:

| Name of joint ventures | Place of establishment and operation | Percentage of equity attributable to the Company |       | Principal activities  |
|------------------------|--------------------------------------|--|-------|-----------------------|
|                        |                                      | 2025   | 2024  |                       |
| 廣州中耀實業投資有限公司           | China                                | 47.74  | 47.74 | Property development  |
| 廣州越禾房地產開發有限公司          | China                                | 47.74  | 47.74 | Property development  |
| 深圳市銀幸現代養老服務有限公司        | China                                | 48.45  | 48.45 | Elderly care services |
| 武漢中建越秀港投開發有限公司         | China                                | 35   | 35    | Property development  |
| 廣州智聯置業投資發展有限公司         | China                                | 28.64  | 28.64 | Property development  |
| 蘇州嶼秀房地產開發有限公司          | China                                | 15.68  | 15.68 | Property development  |
| 湖北宏秀房地產開發有限公司          | China                                | 28.50  | 28.50 | Property development  |
| 武漢崇鴻裕業房地產開發有限公司        | China                                | 14.25  | 14.25 | Property development  |
| 濟南鵬遠置業有限公司             | China                                | 38   | 38    | Property development  |
| 江門市濱江房地產開發投資有限公司       | China                                | 47.50  | 47.50 | Property development  |
| 廣州廣宏房地產開發有限公司          | China                                | 38.19  | 38.19 | Property development  |
| 江門市濱江置業物業發展有限公司        | China                                | 47.50  | 47.50 | Property development  |
| 江門市越通房地產開發有限公司         | China                                | 48.45  | 48.45 | Property development  |
| 蘇州工業園區大正置業有限公司         | China                                | 28.50  | 28.50 | Property development  |
| 廣州雲秀健康投資有限公司           | China                                | 48.45  | 48.45 | Commercial Services   |
| 廣州市越達房地產開發有限公司         | China                                | 53.20  | 53.2  | Property development  |
| 廣州南沙科城投資發展有限公司         | China                                | 42.96  | 42.96 | Property development  |
| 成都居越房地產開發有限公司          | China                                | 46.55  | 46.55 | Property development  |
| 廣州萬宏房地產開發有限公司          | China                                | 46.78  | 46.78 | Property development  |
| 煙台領秀房地產開發有限公司          | China                                | 49   | 49    | Property development  |
| 北京恒秀立懷置業有限公司           | China                                | 46.55  | 46.55 | Property development  |
| 廣州智能裝備科技創意園有限公司        | China                                | 38.95  | 38.95 | Property development  |
| 西安天越航空發展有限公司           | China                                | 49   | 49    | Property development  |
| 西咸新區紫塬泊漢置業有限公司         | China                                | 46.55  | 46.55 | Property development  |
| 長沙悅夢置業有限公司             | China                                | 28.5   | 28.5  | Property development  |
| 杭州濱兆房地產開發有限公司          | China                                | 39.95  | 39.95 | Property development  |

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Details of the Group's principal associates as at 31 December 2025 are as follows:

| Name of associates                  | Place of establishment and operation | Percentage of equity attributable to the Company |       | Principal activities |
|-------------------------------------|--------------------------------------|--|-------|----------------------|
|                                     |                                      | 2025   | 2024  |                      |
| Yuexiu Real Estate Investment Trust | Hong Kong (ii)                       | 41.94  | 40.02 | Property investment  |
| 廣州宏嘉房地產開發有限公司(i)                    | China                                | 15.94  | 15.94 | Property development |
| 廣州宏軒房地產開發有限公司(i)                    | China                                | 15.94  | 15.94 | Property development |
| 江門市蓬江區碧桂園房地產開發有限公司                  | China                                | 44.59  | 44.59 | Property development |
| 杭州龍禧房地產開發有限公司                       | China                                | 28.64  | 28.64 | Property development |
| 廣州環畔房地產開發有限公司(i)                    | China                                | 15.94  | 15.94 | Property development |
| 杭州星日房地產開發有限公司                       | China                                | 49.08  | 49.08 | Property development |
| 武漢越秀地產開發有限公司                        | China                                | 33   | 33    | Property development |
| 廣州合錦嘉苑房地產開發有限公司(i)                  | China                                | 14.25  | 14.25 | Property development |
| 杭州添智投資有限公司(i)                       | China                                | 15.91  | 15.91 | Investment holding   |
| 廣州市吳品房地產有限公司                        | China                                | 46.55  | 46.55 | Property development |
| 廣州碧森房地產開發有限公司(i)                    | China                                | 13.63  | 13.63 | Property development |
| 濟南元賀置業有限公司                          | China                                | 23.51  | 23.51 | Property development |
| 廣州耀恒房地產開發有限公司                       | China                                | 46.78  | 46.78 | Property development |
| 廣州穗昭置業有限公司                          | China                                | 47.50  | 47.50 | Property development |
| 廣州越秀康養投資合夥企業（有限合夥）                  | China                                | 52.25  | 52.25 | Commercial services  |
| 廣州雋峰房地產開發有限公司                       | China                                | 42.96  | 42.96 | Property development |
| 武漢錦秀嘉合置業有限公司                        | China                                | 46.55  | 46.55 | Property development |
| 南京駿玖房地產有限公司                         | China                                | 47.98  | 47.98 | Property development |
| 南京金璨房地產開發有限公司                       | China                                | 31.35  | 31.35 | Property development |
| 長沙長越房地產開發有限公司                       | China                                | 46.55  | 46.55 | Property development |
| 湖北宏秀文苑城市開發有限公司                      | China                                | 38.00  | 38.00 | Property development |
| 南通駿秀房地產開發有限公司                       | China                                | 46.78  | 46.78 | Property development |
| 杭州中海海蕪房地產有限公司                       | China                                | 19   | 19    | Property development |
| 杭州疆悅置業有限公司                          | China                                | 46.55  | 46.55 | Property development |

## GROUP STRUCTURE

31 December 2025

| Name of associates | Place of establishment and operation | Percentage of equity attributable to the Company |       | Principal activities |
|--------------------|--------------------------------------|--|-------|----------------------|
|                    |                                      | 2025   | 2024  |                      |
| 合肥和冉房地產開發有限公司      | China                                | 31.35  | 31.35 | Property development |
| 上海樂秀房地產開發有限公司      | China                                | 47.74  | 47.5  | Property development |
| 上海漕越經濟發展有限公司       | China                                | 46.55  | 46.55 | Property development |
| 杭州北星置業有限公司         | China                                | 18.05  | 18.05 | Property development |
| 上海城樾置業有限公司         | China                                | 46.55  | 46.55 | Property development |
| 肥西和順地產有限公司         | China                                | 33   | 33    | Property development |
| 廣州品鑫房地產開發有限公司      | China                                | 19.10  | 19.10 | Property development |
| 北京怡同置業有限公司         | China                                | 32.84  | 32.84 | Property development |
| 廣州粵恒房地產開發有限公司      | China                                | 46.78  | 46.78 | Property development |
| 杭州濱躍房地產開發有限公司      | China                                | 31.04  | 31.04 | Property development |
| 青島鴻城置業有限公司         | China                                | 37.24  | 37.24 | Property development |
| 成都人居興彭置業有限公司       | China                                | 42.75  | 42.75 | Property development |
| 上海華潤樾能置業有限公司       | China                                | 27.55  | —     | Property development |
| 西安鐵晟越合房地產開發有限公司    | China                                | 13.59  | —     | Property development |
| 廣州越嘉房地產開發有限公司      | China                                | 21.70  | —     | Property development |
| 北京興昶房地產開發有限公司      | China                                | 16.23  | —     | Property development |
| 北京茂越置業有限公司         | China                                | 16.23  | —     | Property development |
| 廣州宸茂置業有限公司         | China                                | 38.19  | —     | Property development |
| 北京城昌貝越置業有限公司       | China                                | 28.64  | —     | Property development |
| 上海招越置業有限公司         | China                                | 19.00  | —     | Property development |
| 廣州越合通房地產開發有限公司     | China                                | 47.19  | 48.69 | Property development |
| 北京海臻置業有限公司         | China                                | 34.87  | 99.64 | Property development |

## Notes:

- (i) The Group has representation on the board in which the Group has the power to participate in the financial and operating policy decisions and therefore has significant influence over these entities.
- (ii) A Hong Kong collective investments scheme authorised under Section 104 of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).



**越秀地產股份有限公司**

**YUEXIU PROPERTY COMPANY LIMITED**

**[www.yuexiuproperty.com](http://www.yuexiuproperty.com)**

26/F., Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong