



**明发集团**  
MINGFA GROUP

**Mingfa Group (International) Company Limited**

**明發集團（國際）有限公司**

(incorporated in the cayman islands with limited liability)

Stock code: 846







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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

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

### Non-Executive Directors

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

### Independent Non-Executive Directors

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

## COMPANY SECRETARY

Mr. Poon Wing Chuen (*FCCA*)

## AUDIT COMMITTEE

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

## NOMINATION COMMITTEE

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

## REMUNERATION COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## AUTHORISED REPRESENTATIVES

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

## REGISTERED OFFICE

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

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

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Plaza 88,  
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Tsuen Wan  
Hong Kong

## COMPANY'S WEBSITE

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

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

846

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

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**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

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Hong Kong

**PRINCIPAL BANKERS**

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

**LEGAL ADVISER AS TO HONG KONG LAWS**

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The Landmark  
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Central  
Hong Kong

**AUDITOR**

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



# CHAIRMAN'S STATEMENT





**Dear Shareholders,**

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

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

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

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

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

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

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

24 April 2026







# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL HIGHLIGHTS

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

## MANAGEMENT DISCUSSION AND ANALYSIS



### RESULTS

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

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

### INDUSTRY REVIEW

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

### PROSPECT

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

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



## BUSINESS REVIEW

### Sales and Earnings

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

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

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

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

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

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

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



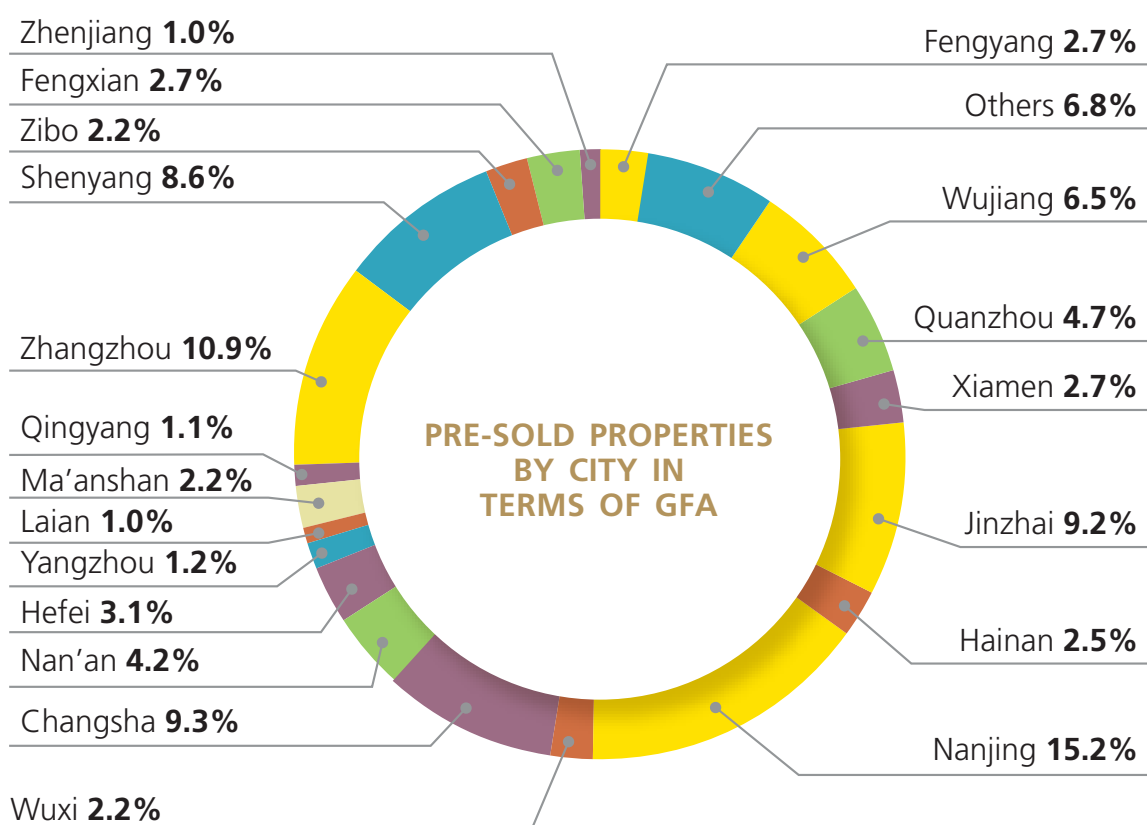
|                                                  | Sales Revenue<br>(RMB'000) |             | GFA Delivered<br>(sq.m.) |             | Average Selling Price<br>(RMB per sq.m.) |          |
|--------------------------------------------------|----------------------------|-------------|--------------------------|-------------|-------------------------------------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

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTRACTED SALES

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





## MANAGEMENT DISCUSSION AND ANALYSIS

### PRE-SOLD PROPERTIES

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

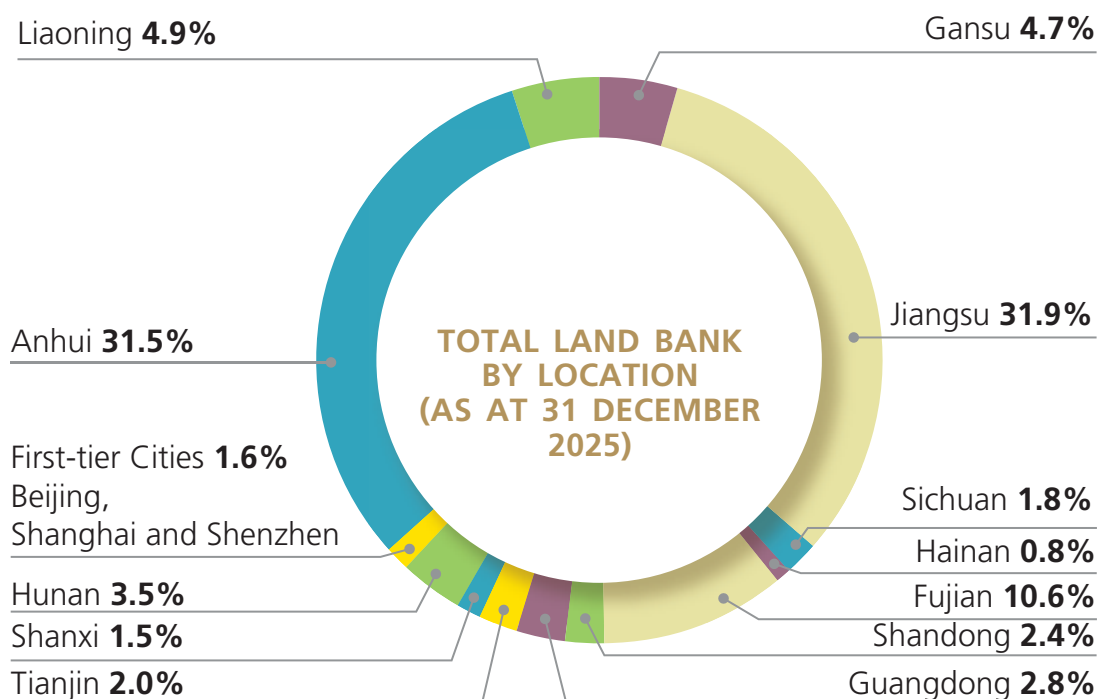
| City      | Project                                                 | Group's Interest | Attributable GFA<br>(sq.m.) |
|-----------|---------------------------------------------------------|------------------|-----------------------------|
| Changsha  | Changsha Mingfa shopping Mall               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



### SUMMARY OF LAND BANK

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

|                                 | Number of<br>Projects | Attributable GFA<br>(million sq.m.) |
|---------------------------------|-----------------------|-------------------------------------|
| Completed projects              | 53                    | 3.4                                 |
| Projects under development      | 65                    | 10.9                                |
| Projects for future development | 11                    | 2.5                                 |
| <b>Total</b>                    | <b>129</b>            | <b>16.8</b>                         |



## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS



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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

# MANAGEMENT DISCUSSION AND ANALYSIS



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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

# MANAGEMENT DISCUSSION AND ANALYSIS



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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

# MANAGEMENT DISCUSSION AND ANALYSIS



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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### Notes:

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



## SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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



## Properties to be Completed in 2026

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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



## PROGRESS OF DEVELOPMENT ON MAJOR PROJECTS

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

### Zhenjiang Jinxiu Yinshan

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

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

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

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

### Huai'an Mingfa Shopping Mall (Block A)

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

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

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

### Shenyang Mingfa Jinxiuhua City

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

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

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

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

### Taizhou Mingfa City Complex (Phase 1 and 2)

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Shanghai Mingfa Shopping Mall**

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

This project is designed as integrated commercial complex.

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

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

### **Pingliang Mingfa European City**

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

This project is designed as integrated residential complex.

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

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

### **Changsha Mingfa Shopping Mall**

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

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

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

### **Huizhou Mingfa Gaobang New City**

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

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

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

### **Tianjin Binhai Mingfa Shopping Mall**

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

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

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



## **Wujiang Mingfa Jiangwan New City (Phase 2 and 3)**

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

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

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

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

## **Quanzhou Mingfa International Huachang City**

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

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

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

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

## **Guang'an Mingfa Mall**

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

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

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

## **Shandong Zibo World Trade Center**

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Shenyang Creative Industrial Estate**

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

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

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

### **Zhangzhou Longhai Mingfa Mall (Phase 2)**

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

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

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

### **Mingfa Mingbo Town**

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

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

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

### **Taoyuan New Town**

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

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

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

### **Taoyuan Mingzhu**

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

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

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



### **Mingfa Jinse Shuian**

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

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

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

### **Nanjing International Business Center**

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

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

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

### **Taoyuan Xiangsong**

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

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

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

### **Taoyuan Fudi**

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

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

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

### **Taoyuan Guanlan**

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

### **Zhangpu Mingfa Xiangshan Wan**

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

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

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

### **Wuhu Chungu Xi'an**

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

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

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

### **Mingfa Nanjing Cross-strait Science and Technology Base**

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

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

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

### **Mingfa North Station Centre**

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

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

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



### **Hecheng Shoufu**

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

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

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

### **Mingfa Huguangshanse Yihao**

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

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

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

### **Nanjing Mingrong Garden**

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

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

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

### **Taohua Yuanzhu**

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Mingfa Internet Industrial Park**

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

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

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

### **Moli Anju**

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

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

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

### **Xingyue City**

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

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

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

### **Mingfa City Lights**

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

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

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

### **Dingyuan Mingfa Shuiyun Taoyuan**

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

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

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



### **Shenyang Mingfa Square**

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

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

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

### **Yangguang Qingcheng**

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

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

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

### **Dingyuan Mingfa Wealth Centre**

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

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

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

### **Mingfa Software Valley**

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

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

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

### **Xinyi Mingfa Zhongyang Lake CBD**

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Hainan Mingfa Modern Service Industrial Park**

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

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

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

### **Peixian Mingfa Noble Place**

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

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

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

### **Mingfa Yan'an Zhi Xing**

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

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

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

### **Suining Shuiyun Taoyuan**

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

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

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



## **Qingyang Yangguang Qingcheng (Block 3)**

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

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

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

## **Mingfa Yuhong Commercial and Residential Project**

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

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

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

## **New project in Maanshan Mingpu**

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

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

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

## **New project in Maanshan Minglin**

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

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

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

## **Longhai Mingfa Square**

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Fengxian International Hotel**

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

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

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

### **Qingyang Yangguang Qingcheng (Block 4)**

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

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

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

### **Liu'an Yeji Minghui City**

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

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

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

### **Fengyang Taoyuan Yashe**

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

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

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

### **Maanshan Mingbo Tianyue Fu**

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

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

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

**Nan'an Guozhong Huayuan**

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

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

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

**Maanshan Mingbo Junyue Fu**

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

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

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

**New project in Hainan Danzhou**

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

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

**Suzhou Wenjin Yuan**

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

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

**Chuzhou Mingrong Guanhu Yaju**

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

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

**Jiangsu Mingfa Headquarters Base Phase 2 and 3**

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

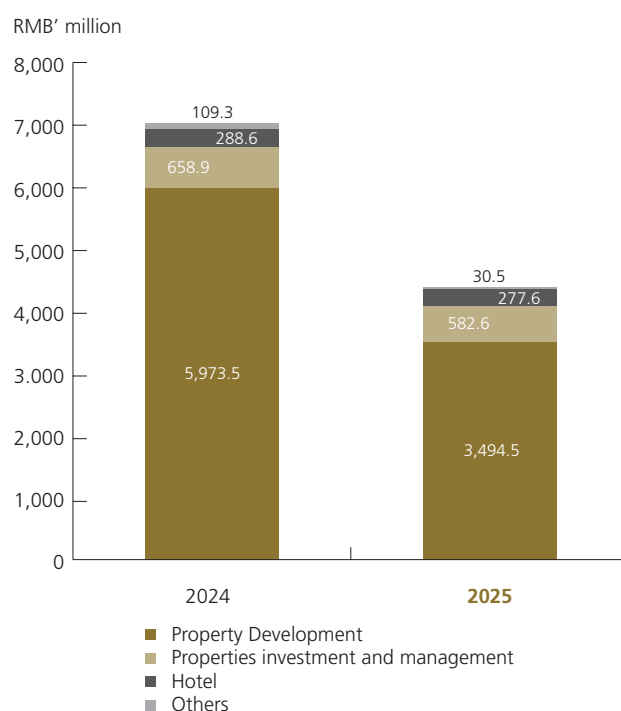
## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW AND ANALYSIS

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

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

### Revenue by Segment



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

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



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

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

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

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

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

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

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

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL STRUCTURE

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

### BORROWINGS

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

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

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

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



The borrowings was categorised by fixed or floating interest:

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

## FINANCIAL RATIO

Set out below are the major ratios of the Group:

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

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

## PLEDGES OF ASSETS

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

## CAPITAL COMMITMENTS

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### GUARANTEES AND CONTINGENT LIABILITIES

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

### FOREIGN EXCHANGE RISK

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

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

### INTEREST RATE RISK

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

### FUNDING AND TREASURY POLICY

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

### CREDIT POLICIES

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



## AWARDS AND RECOGNITION

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

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

## HUMAN RESOURCES

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

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

## PENSION SCHEME

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### DIVIDEND POLICY

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

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

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

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

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



## CORPORATE GOVERNANCE PRACTICES

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

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

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

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

## BOARD OF DIRECTORS

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

### Executive Directors

Mr. Ng Man Fung Walter

Ms. Shang Xuan

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

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

### Non-Executive Directors

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

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

### Independent Non-Executive Directors

Mr. Lau Kin Hon

Mr. Chu Kin Wang Peleus

Mr. Chan Sing Lai

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

## CORPORATE GOVERNANCE REPORT

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

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

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

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

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

### BOARD INDEPENDENCE

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



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

## NOMINATION OF COMMITTEE

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

### Nomination Procedures

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

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

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

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

- (a) character and integrity;

## CORPORATE GOVERNANCE REPORT

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

### Board Diversity Policy

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

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

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

### Gender Diversity of Employees

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



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

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

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

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

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

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

## REMUNERATION COMMITTEE

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

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

## CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

### AUDIT COMMITTEE

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

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

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



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

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

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

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

## RISK MANAGEMENT COMMITTEE

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

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

## CORPORATE GOVERNANCE REPORT

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

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

### DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

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

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

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



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

## REMUNERATION OF MEMBERS OF THE SENIOR MANAGEMENT

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

|                             | Number of Individuals |      |
|-----------------------------|-----------------------|------|
|                             | 2025                  | 2024 |
| <b>Emolument Bands</b>      |                       |      |
| HK\$1,000,000–HK\$1,500,000 | 2                     | 2    |
| HK\$1,500,001–HK\$2,000,000 | 1                     | —    |
| HK\$2,000,001–HK\$2,500,000 | 1                     | 1    |

## AUDITOR’S REMUNERATION

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS' RIGHTS

#### Communication Channel

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

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

By post:

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

By telephone: +852 2620 5885

By email: [info@mingfagroup.com](mailto:info@mingfagroup.com)

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

### GENERAL MEETING

One general meeting was held during the year under review.

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

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

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

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

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

#### **Procedures for Shareholders to Put Forward Proposals at a General Meeting**

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

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

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

### **CONSTITUTIONAL DOCUMENT**

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

### **DIRECTOR'S RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS**

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

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

**Dr. Lam, Lee G.**  
*Chairman*  
24 April 2026

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE REPORT

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

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

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

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

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

## COMMUNICATION WITH STAKEHOLDERS

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



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

## Key Stakeholders

## Communication Methods

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

### ENVIRONMENTAL CATEGORIES

#### **Business sustainability**

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

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

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

#### **A1 Emissions**

##### ***Property Development***

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

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

During the reporting year, the Group's waste gas emission was 1,084,038.6 g sulfur oxide (SO<sub>x</sub>) (2024: 1,676,914.5 g), 1,445,384.8 g nitrogen oxides (NO<sub>x</sub>) (2024: 2,235,888.6 g) and 40,470,774.8 kg carbon dioxide (2024: 62,604,892.4 kg), with a density of 13,535.4 kg carbon dioxide equivalent/person (2024: 18,511.2 kg/person).



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

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

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

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

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

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

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

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

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

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

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

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

During the reporting year, the Group had planted 160,000 (2024: 151,000) new types of trees, reducing carbon dioxide (CO<sub>2</sub>) by 3,680,000 kg (2024: 3,473,000 kg).

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

### *Hotel Operations*

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

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

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



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

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

#### *Office*

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

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

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

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

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A2 Use of Resources

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

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

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

#### *Electricity Consumption*

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

The Group has adopted the following measures to conserve energy:

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

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

**Water Consumption**

No issues in relation to the obtaining of water supply of the Group are identified. The Group often reminds and encourages its staff to save water and reduce water consumption during the business operation procedures. During the reporting year, the Group consumed water totaling 515,492.5 m<sup>3</sup> with a density approximate 172.4 m<sup>3</sup>/person (2024: consumed water totaling 888,769.2 m<sup>3</sup> with a density approximate 262.8 m<sup>3</sup>/person).

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

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

Water consumption during the reporting year was 515,492.5 m<sup>3</sup> (2024: 888,769.2 m<sup>3</sup>).

**Packaging Materials**

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

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

**A3 The Environmental Impact and Natural Resources**

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

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

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

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

### SOCIAL CATEGORIES

#### **B1 Employment and Labour Practice**

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

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



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

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

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

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

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

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

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

### **B2 Employees’ Health and Working Environment Safety**

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

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



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

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

### **B3 Human Resources Development and Trainings**

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

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

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

### **B4 Labour Standards**

#### ***Forbidding Discrimination and Illegal Labour***

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

### Employee Profile

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

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

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

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

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

***Supplier Management***

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

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

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

### *Hotel Operations*

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

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

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

### **B6 Product Responsibility and Safety**

#### *Property Development and Sales*

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

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

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



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

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

### ***Hotel Operations***

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

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

### **B7 Anti-corruption**

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

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



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

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

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

#### ***Reporting Platform***

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

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

### **B8 Community Investment and Participation**

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

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

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### Executive Directors

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

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

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

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

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



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

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

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

### Non-Executive Directors

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

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

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

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

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

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



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

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

### Independent Non-Executive Directors

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

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

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

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

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

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

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

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

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

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

### Senior Management

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

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

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

### BUSINESS INFORMATION

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

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

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

### FINANCIAL INFORMATION

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

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

### SEGMENT INFORMATION

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

### COMPLIANCE

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

## REPORT OF THE DIRECTORS

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

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

### PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

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

### SHARE CAPITAL

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

### RESERVES

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

### DISTRIBUTABLE RESERVES

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

### PRE-EMPTIVE RIGHTS

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

### RESULTS AND DIVIDENDS

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

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

### DIRECTORS

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

#### Executive Directors

Mr. Ng Man Fung Walter

Ms. Shang Xuan

Mr. Huang Zhibin (appointed on 9 October 2025)

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

#### Non-Executive Directors

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

Ms. Chen Bihua (appointed on 9 October 2025)

**Independent Non-Executive Directors**

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

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

**DIRECTORS' SERVICE CONTRACTS**

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

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

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

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

**DIRECTORS' REMUNERATION**

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

**PERMITTED INDEMNITY PROVISIONS**

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

## REPORT OF THE DIRECTORS

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

### DIRECTORS' INTERESTS IN ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

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

### MANAGEMENT CONTRACTS

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

### DIRECTORS' INTEREST IN COMPETING BUSINESS

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

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

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

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

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



Notes:

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

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

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

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

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

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

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

Note:

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

## REPORT OF THE DIRECTORS

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

### SHARE SCHEME

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

### MAJOR CUSTOMERS AND SUPPLIERS

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

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

### RELATED PARTY AND CONNECTED TRANSACTIONS

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

### SUFFICIENCY OF PUBLIC FLOAT

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

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

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

### SIGNIFICANT INVESTMENTS

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

### PARTICIPATION IN THE COMMUNITY AND GIVING BACK TO SOCIETY

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

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

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

**TAXATION**

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

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

**TAX RELIEF AND EXEMPTION**

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

**MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE**

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

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

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

**AUDITOR**

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

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

**Dr. Lam, Lee G.**  
*Chairman*  
24 April 2026

# INDEPENDENT AUDITOR'S REPORT



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## TO THE SHAREHOLDERS OF MINGFA GROUP (INTERNATIONAL) COMPANY LIMITED

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

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

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

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

#### Valuation of Investment Properties

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

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

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

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

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS (continued)

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

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

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

### OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

**DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

#### **BDO Limited**

*Certified Public Accountants*

#### **LAI Cheuk Wai**

Practising Certificate no. P07921

Hong Kong, 24 April 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025



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

# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025



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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025



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

**Ng Man Fung Walter**  
*Director*

**Shang Xuan**  
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025



### Notes:

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025



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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 1 GENERAL INFORMATION

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

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

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

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

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of preparation

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

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (a) Basis of preparation (Continued)

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

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

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

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

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

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

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

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

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

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (a) Basis of preparation (Continued)

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

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

#### *Presentation and Disclosure in Financial Statements (HKFRS 18)*

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

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

#### *Subsidiaries without Public Accountability (HKFRS 19 and its amendments)*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (a) Basis of preparation (Continued)

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

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

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

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

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (a) Basis of preparation (Continued)

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

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

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (b) Consolidation

#### (i) *Subsidiaries*

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

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

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

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

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (b) Consolidation (continued)

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

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

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

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

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

### (c) Associates

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (c) Associates (continued)

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

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

#### (d) Joint arrangements

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

The Group classifies its interests in joint arrangements as either:

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

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

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

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

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

#### (e) Segment reporting

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (f) Foreign currency translation

#### *Functional and presentation currency*

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

### (g) Property, plant and equipment

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

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

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

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

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

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

### (h) Assets under construction

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

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

### (i) Investment properties

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (i) Investment properties (continued)

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

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

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

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

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

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

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

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

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (k) Properties under development

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

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

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

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

### (l) Completed properties held for sale

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

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

### (m) Financial instruments

#### (i) Financial assets

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (m) Financial instruments (continued)

##### (i) Financial assets (continued)

###### *Debt instruments*

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

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

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

###### *Equity instruments*

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

##### (ii) Impairment loss on financial assets

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

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

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (m) Financial instruments (continued)

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

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

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

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

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

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

#### (iii) *Write-off policy*

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

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

#### (iv) *Financial liabilities*

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

##### *Financial liabilities at amortised cost*

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (m) Financial instruments (continued)

##### (iv) Financial liabilities (continued)

###### *Financial liabilities at amortised cost (continued)*

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

##### (v) Effective interest method

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

##### (vi) Derecognition

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

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

##### (vii) Financial guarantee contracts

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

#### (n) Cash and cash equivalents

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (o) Current and deferred income tax

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

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (p) Employee benefits

##### (i) Employee leave entitlements

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

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

##### (ii) Retirement benefits

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

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

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

#### (q) Provisions and contingent liabilities

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

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

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

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (q) Provisions and contingent liabilities (continued)

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

### (r) Revenue recognition

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

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

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

#### (i) Sales of properties

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

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

#### (ii) Rental income

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

#### (iii) Hotel operating income

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (r) Revenue recognition (continued)

##### (iv) *Property management services income*

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

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

##### (v) *Contract liabilities*

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

##### (vi) *Contract costs*

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

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

#### (s) Government grants

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

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

#### (t) The Group as a lessee

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (t) The Group as a lessee (continued)

#### (i) *Right-of-use asset*

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

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

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

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

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

|                |             |
|----------------|-------------|
| Leasehold land | 40–70 years |
| Properties     | 20–40 years |

#### (ii) *Lease liability*

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (t) The Group as a lessee (continued)

##### (ii) Lease liability (continued)

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

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

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

##### (iii) The Group as a lessor

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

#### (u) Related parties

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



## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (u) Related parties (continued)

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

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

## 3 FINANCIAL RISK MANAGEMENT

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

### (a) Market risk

#### (i) Foreign exchange risk

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3 FINANCIAL RISK MANAGEMENT (continued)

### (a) Market risk (continued)

#### (i) Foreign exchange risk (continued)

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

|                               | Strengthens<br>in RMB | Decrease in<br>loss after<br>income tax<br>RMB'000 |
|-------------------------------|-----------------------|----------------------------------------------------|
| <b>As at 31 December 2025</b> |                       |                                                    |
| USD                           | 5%                    | 30,932                                             |
| HKD                           | 5%                    | 8,707                                              |

|                               | Strengthens<br>in RMB | Decrease in<br>Loss after<br>income tax<br>RMB'000 |
|-------------------------------|-----------------------|----------------------------------------------------|
| <b>As at 31 December 2024</b> |                       |                                                    |
| USD                           | 5%                    | 76,484                                             |
| HKD                           | 5%                    | 29,238                                             |

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the periods until the next annual reporting date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' result for the year measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis as 2024.



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (a) Market risk (continued)

#### (ii) *Cash flow and fair value interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Except for bank deposits (Note 17), borrowings (Note 22), the advances to a third party (Note 14) and amount due from a non-controlling interest (Note 16), the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow and fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 22.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates because the interest rates are not expected to change significantly.

As at 31 December 2025, if interest rates on borrowings at variable rates had been 10 basis points higher/lower with all other variables held constant, the post-tax loss for the year would have been RMB2,090,000 higher/lower.

As at 31 December 2024, if interest rates on borrowings at variable rates has been 10 basis points higher/lower with all other variables held constant, the post-tax loss for the year would have been RMB1,583,000 higher/lower.

### (b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of restricted cash, cash and cash equivalents, trade and other receivables and amounts due from related parties, joint ventures, associated companies and non-controlling interests included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The credit risk on financial guarantees provided to the customers in respect of mortgage loan is limited because the related properties can be resold in the market if the customers fail to repay the mortgage loans.

The credit risk on restricted cash, cash and cash equivalents are limited as the counterparties are high-credit-quality financial institutions. Management does not expect any losses from non-performance of these counterparties.

The Group has policies in place to ensure that sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payment. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Other receivables mainly comprise deposits made to government agencies for property development purposes which are to be recovered upon completion of the development, and advances to business partners for business cooperations. The Group closely monitor these deposits and advances to ensure actions taken to recover these balances in the case of any risk of default. Normally, the Group does not obtain collateral from customers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (b) Credit risk (continued)

##### *Trade receivables*

The Group applies the simplified approach to account for ECLs prescribed by HKFRS 9, which permit the use of the lifetime ECLs. The provision rates are based on days past due for grouping of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025:

|                                         | Expected loss<br>rate | Gross carrying<br>amount<br>(RMB'000)<br>(Note 14) | Loss<br>allowance<br>(RMB'000)<br>(Note 14) |
|-----------------------------------------|-----------------------|----------------------------------------------------|---------------------------------------------|
| Within 90 days past due                 | 53.30%                | 7,300                                              | 3,891                                       |
| Over 90 days and within 1 year past due | 59.74%                | 112,095                                            | 66,964                                      |
| Over 1 year and within 2 years past due | 77.03%                | 299,739                                            | 230,879                                     |
| Over 2 years past due                   | 100%                  | 523,730                                            | 523,730                                     |
|                                         |                       | <b>942,864</b>                                     | <b>825,464</b>                              |

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

|                                         | Expected loss<br>rate | Gross carrying<br>amount<br>(RMB'000)<br>(Note 14) | Loss<br>allowance<br>(RMB'000)<br>(Note 14) |
|-----------------------------------------|-----------------------|----------------------------------------------------|---------------------------------------------|
| Within 90 days past due                 | 52.84%                | 34,082                                             | 18,008                                      |
| Over 90 days and within 1 year past due | 61.11%                | 354,308                                            | 216,510                                     |
| Over 1 year and within 2 years past due | 84.58%                | 118,420                                            | 100,160                                     |
| Over 2 years past due                   | 100%                  | 464,266                                            | 464,266                                     |
|                                         |                       | <b>971,076</b>                                     | <b>798,944</b>                              |

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (b) Credit risk (continued)

#### *Other receivables and deposits*

The significant changes in the gross carrying amount of other receivables and deposits are explained below:

| Other receivables and deposits<br>— gross carrying amount<br>(Note 14) | 12-month<br>ECLs<br>RMB'000 | Lifetime ECLs<br>(individually<br>assessed)<br>RMB'000 | Credit-<br>impaired<br>financial<br>assets<br>(lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|------------------|
| As at 1 January 2024                                                   | 251,628                     | 386,381                                                | 961,233                                                                  | 1,599,242        |
| Addition                                                               | 816,547                     | —                                                      | —                                                                        | 816,547          |
| Financial assets that have been<br>derecognised                        | (213,693)                   | (223,748)                                              | (198,356)                                                                | (635,797)        |
| Transfer to lifetime ECLs                                              | (498,076)                   | 498,076                                                | —                                                                        | —                |
| Transfer to credit-impaired<br>financial assets                        | —                           | (305,871)                                              | 305,871                                                                  | —                |
| As at 31 December 2024 and<br>1 January 2025                           | 356,406                     | 354,838                                                | 1,068,748                                                                | 1,779,992        |
| Addition                                                               | <b>664,524</b>              | —                                                      | —                                                                        | <b>664,524</b>   |
| Financial assets that have been<br>derecognised                        | <b>(50,975)</b>             | <b>(37,984)</b>                                        | <b>(474,528)</b>                                                         | <b>(563,487)</b> |
| Transfer to lifetime ECLs                                              | <b>(715,013)</b>            | <b>715,013</b>                                         | —                                                                        | —                |
| Transfer to credit-impaired<br>financial assets                        | —                           | <b>(753,981)</b>                                       | <b>753,981</b>                                                           | —                |
| As at 31 December 2025                                                 | <b>254,942</b>              | <b>277,886</b>                                         | <b>1,348,201</b>                                                         | <b>1,881,029</b> |

*Note:* Other receivables and deposits for land purchases are subject to ECLs assessment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3 FINANCIAL RISK MANAGEMENT (continued)

### (b) Credit risk (continued)

#### *Other receivables and deposits (continued)*

Movement in provision for impairment of other receivables and deposits is as follows:

|                                              | Year ended 31 December |                 |
|----------------------------------------------|------------------------|-----------------|
|                                              | 2025<br>RMB'000        | 2024<br>RMB'000 |
| At 1 January                                 | 774,600                | 548,400         |
| Impairment losses recognised during the year | 222,161                | 308,712         |
| Reversal                                     | (212,161)              | (82,512)        |
| At 31 December                               | 784,600                | 774,600         |

| Other receivables and deposits<br>— loss allowance | 12-month<br>ECLs<br>RMB'000 | Lifetime ECLs<br>(individually<br>assessed)<br>RMB'000 | Credit-<br>impaired<br>financial<br>assets<br>(lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------------------|-----------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|------------------|
| As at 1 January 2024                               | (66,100)                    | (68,600)                                               | (413,700)                                                                | (548,400)        |
| Addition                                           | (308,712)                   | —                                                      | —                                                                        | (308,712)        |
| Reversal                                           | 10,470                      | 28,359                                                 | 43,683                                                                   | 82,512           |
| Transfer to lifetime ECLs                          | 313,142                     | (313,142)                                              | —                                                                        | —                |
| Transfer to credit-impaired<br>financial assets    | —                           | 275,783                                                | (275,783)                                                                | —                |
| As at 31 December 2024 and<br>1 January 2025       | (51,200)                    | (77,600)                                               | (645,800)                                                                | (774,600)        |
| Addition                                           | (222,161)                   | —                                                      | —                                                                        | (222,161)        |
| Reversal                                           | 8,485                       | 14,314                                                 | 189,362                                                                  | 212,161          |
| Transfer to lifetime ECLs                          | 213,579                     | (213,579)                                              | —                                                                        | —                |
| Transfer to credit-impaired<br>financial assets    | —                           | 189,636                                                | (189,636)                                                                | —                |
| As at 31 December 2025                             | (51,297)                    | (87,229)                                               | (646,074)                                                                | (784,600)        |

The increase in the loss allowance of approximately RMB10,000,000 during the year 2025 (2024: increased by RMB226,200,000) was mainly due to the increase in receivables which were past due for over 1 year (2024 the increase in receivables which were past due for over 1 year).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (b) Credit risk (continued)

#### *Amounts due from related parties, joint ventures, associated companies and non-controlling interests*

As at 31 December 2025 and 2024, the Group has applied general approach to provide ECLs on the financial assets at amortised cost including amounts due from related parties, joint ventures, associated companies and non-controlling interests under the basis of 12-month ECLs, lifetime ECLs which credit risk has increased significantly but not credit-impaired and lifetime ECLs which are credit-impaired respectively.

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from related parties:

| Amounts due from related parties — gross carrying amount (Note 15) | 12-month ECLs<br>RMB'000 | Lifetime ECLs (individually assessed)<br>RMB'000 | Credit-impaired financial assets (lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------------------------------|--------------------------|--------------------------------------------------|-------------------------------------------------------------|------------------|
| As at 1 January 2024                                               | 302                      | 29,226                                           | 2,804                                                       | 32,332           |
| Addition                                                           | 7                        | —                                                | —                                                           | 7                |
| Financial assets that have been derecognised                       | —                        | (29,216)                                         | (198)                                                       | (29,414)         |
| Transfer to lifetime ECLs                                          | (309)                    | 309                                              | —                                                           | —                |
| As at 31 December 2024 and 1 January 2025                          | —                        | 319                                              | 2,606                                                       | 2,925            |
| Addition                                                           | 643                      | —                                                | —                                                           | 643              |
| Transfer to lifetime ECLs                                          | (643)                    | 643                                              | —                                                           | —                |
| As at 31 December 2025                                             | —                        | 962                                              | 2,606                                                       | 3,568            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (b) Credit risk (continued)

*Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)*

| Amounts due from related parties<br>— loss allowance | 12-month<br>ECLs<br>RMB'000 | Lifetime ECLs<br>(individually<br>assessed)<br>RMB'000 | Credit-<br>impaired<br>financial<br>assets<br>(lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------|-----------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|------------------|
| As at 1 January 2024                                 | —                           | (2,776)                                                | (724)                                                                    | (3,500)          |
| Reversal                                             | —                           | 2,064                                                  | 36                                                                       | 2,100            |
| Transfer to credit impaired financial<br>assets      | —                           | 600                                                    | (600)                                                                    | —                |
| As at 31 December 2024 and<br>1 January 2025         | —                           | (112)                                                  | (1,288)                                                                  | (1,400)          |
| Addition                                             | —                           | (100)                                                  | (600)                                                                    | (700)            |
| As at 31 December 2025                               | —                           | (212)                                                  | (1,888)                                                                  | (2,100)          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (b) Credit risk (continued)

*Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)*

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from joint ventures and loan to a joint venture:

| Amounts due from joint ventures<br>and loan to a joint venture —<br>gross carrying amount (Note 15) | 12-month<br>ECLs<br>RMB'000 | Lifetime ECLs<br>(individually<br>assessed)<br>RMB'000 | Credit-<br>impaired<br>financial<br>assets<br>(lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|-----------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|------------------|
| As at 1 January 2024                                                                                | —                           | 341,745                                                | 5,536                                                                    | 347,281          |
| Addition                                                                                            | 57                          | —                                                      | —                                                                        | 57               |
| Transfer to lifetime ECLs                                                                           | (57)                        | 57                                                     | —                                                                        | —                |
| As at 31 December 2024 and<br>1 January 2025                                                        | —                           | 341,802                                                | 5,536                                                                    | 347,338          |
| Addition                                                                                            | 59                          | —                                                      | —                                                                        | 59               |
| Transfer to lifetime ECLs                                                                           | (59)                        | 59                                                     | —                                                                        | —                |
| As at 31 December 2025                                                                              | —                           | 341,861                                                | 5,536                                                                    | 347,397          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (b) Credit risk (continued)

*Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)*

| Amounts due from joint ventures<br>and loan to a joint venture —<br>loss allowance | 12-month<br>ECLs<br>RMB'000 | Lifetime ECLs<br>(individually<br>assessed)<br>RMB'000 | Credit-<br>impaired<br>financial<br>assets<br>(lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------|--------------------------------------------------------------------------|------------------|
| As at 1 January 2024, 31 December<br>2024 and 1 January 2025                       | —                           | (500)                                                  | (3,300)                                                                  | (3,800)          |
| Addition                                                                           | —                           | —                                                      | (1,000)                                                                  | (1,000)          |
| As at 31 December 2025                                                             | —                           | (500)                                                  | (4,300)                                                                  | (4,800)          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (b) Credit risk (continued)

*Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)*

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from associated companies:

| Amounts due from associated companies — gross carrying amount (Note 15) | 12-month ECLs<br>RMB'000 | Lifetime ECLs (individually assessed)<br>RMB'000 | Credit-impaired financial assets (lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|-------------------------------------------------------------------------|--------------------------|--------------------------------------------------|-------------------------------------------------------------|------------------|
| As at 1 January 2024,<br>31 December 2024,<br>1 January 2025            | —                        | 197,099                                          | 48,792                                                      | 245,891          |
| Addition                                                                | 1,225                    | —                                                | —                                                           | 1,225            |
| Transfer to lifetime ECLs                                               | (1,225)                  | 1,225                                            | —                                                           | —                |
| As at 31 December 2025                                                  | —                        | 198,324                                          | 48,792                                                      | 247,116          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (b) Credit risk (continued)

*Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)*

| Amounts due from associated companies — loss allowance | 12-month ECLs<br>RMB'000 | Lifetime ECLs<br>(individually assessed)<br>RMB'000 | Credit-impaired financial assets<br>(lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------------------|--------------------------|-----------------------------------------------------|----------------------------------------------------------------|------------------|
| As at 1 January 2024                                   | —                        | —                                                   | (25,700)                                                       | (25,700)         |
| Reversal                                               | —                        | —                                                   | 2,300                                                          | 2,300            |
| As at 31 December 2024 and<br>1 January 2025           | —                        | —                                                   | (23,400)                                                       | (23,400)         |
| Addition                                               | —                        | —                                                   | (7,000)                                                        | (7,000)          |
| As at 31 December 2025                                 | —                        | —                                                   | (30,400)                                                       | (30,400)         |

The ECLs of amounts due from related parties, joint ventures, associated companies and loan to a joint venture as at 31 December 2025 amounted to RMB8,700,000 (Note 29) was charged in profit or loss (2024: RMB4,400,000 was reversed in profit or loss).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (b) Credit risk (continued)

*Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)*

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from non-controlling interests:

| Amounts due from non-controlling interests — gross carrying amount (Note 16) | 12-month ECLs<br>RMB'000 | Lifetime ECLs (individually assessed)<br>RMB'000 | Credit-impaired financial assets (lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------------|--------------------------|--------------------------------------------------|-------------------------------------------------------------|------------------|
| As at 1 January 2024                                                         | —                        | 652,480                                          | 220,012                                                     | 872,492          |
| Addition                                                                     | 236,094                  | —                                                | —                                                           | 236,094          |
| Financial assets that have been derecognised                                 | —                        | (598,571)                                        | (15,000)                                                    | (613,571)        |
| Transfer to lifetime ECLs                                                    | (185,054)                | 185,054                                          | —                                                           | —                |
| As at 31 December 2024 and 1 January 2025                                    | 51,040                   | 238,963                                          | 205,012                                                     | 495,015          |
| Addition                                                                     | 11,683                   | —                                                | —                                                           | 11,683           |
| Financial assets that have been derecognised                                 | —                        | (1,473)                                          | (860)                                                       | (2,333)          |
| Transfer to lifetime ECLs                                                    | (51,040)                 | 51,040                                           | —                                                           | —                |
| Transfer to credit impaired financial assets                                 | —                        | (147,167)                                        | 147,167                                                     | —                |
| As at 31 December 2025                                                       | 11,683                   | 141,363                                          | 351,319                                                     | 504,365          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3 FINANCIAL RISK MANAGEMENT (continued)

### (b) Credit risk (continued)

*Amounts due from related parties, joint ventures, associated companies and non-controlling interests (continued)*

The following tables provide information about the Group's exposure to credit risk and ECLs for amounts due from non-controlling interests:

| Amounts due from non-controlling interests — loss allowance | 12-month ECLs<br>RMB'000 | Lifetime ECLs (individually assessed)<br>RMB'000 | Credit-impaired financial assets (lifetime ECLs)<br>RMB'000 | Total<br>RMB'000 |
|-------------------------------------------------------------|--------------------------|--------------------------------------------------|-------------------------------------------------------------|------------------|
| As at 1 January 2024                                        | —                        | (12,442)                                         | (116,438)                                                   | (128,880)        |
| Addition                                                    | (15,429)                 | (15,032)                                         | (8,649)                                                     | (39,110)         |
| Reversal                                                    | —                        | 190                                              | 6,000                                                       | 6,190            |
| As at 31 December 2024 and 1 January 2025                   | (15,429)                 | (27,284)                                         | (119,087)                                                   | (161,800)        |
| Addition                                                    | (2,287)                  | (62,610)                                         | (56,303)                                                    | (121,200)        |
| Transfer to lifetime ECLs                                   | 15,429                   | (15,429)                                         | —                                                           | —                |
| Transfer to credit-impaired financial assets                | —                        | 20,000                                           | (20,000)                                                    | —                |
| As at 31 December 2025                                      | (2,287)                  | (85,323)                                         | (195,390)                                                   | (283,000)        |

The addition of ECLs of amounts due from non-controlling interests for the year ended 31 December 2025 amounted to RMB121,200,000 (2024: addition of RMB39,110,000 and reversal of RMB6,190 respectively) (Note 29) were recognised in profit or loss.

### Credit risk profile

| 2025<br>RMB'000 | Other receivables<br>(Note 14)    |          | Deposits for<br>land purchases<br>(Note 14) |          | Amounts due from<br>non-controlling interests<br>(Note 16) |          | Amounts due from<br>joint ventures<br>(Note 15) |          | Amounts due from<br>associated companies<br>(Note 15) |          | Amounts due from<br>related parties<br>(Note 15) |          |
|-----------------|-----------------------------------|----------|---------------------------------------------|----------|------------------------------------------------------------|----------|-------------------------------------------------|----------|-------------------------------------------------------|----------|--------------------------------------------------|----------|
|                 | Gross carrying amount<br>Lifetime | 12-month | Gross carrying amount<br>Lifetime           | 12-month | Gross carrying amount<br>Lifetime                          | 12-month | Gross carrying amount<br>Lifetime               | 12-month | Gross carrying amount<br>Lifetime                     | 12-month | Gross carrying amount<br>Lifetime                | 12-month |
|                 | 1,626,087                         | 244,732  | —                                           | 10,210   | 492,682                                                    | 11,683   | 347,397                                         | —        | 247,116                                               | —        | 3,568                                            | —        |
| 2024<br>RMB'000 | Other receivables<br>(Note 14)    |          | Deposits for<br>land purchases (Note 14)    |          | Amounts due from<br>non-controlling interests<br>(Note 16) |          | Amounts due from<br>joint ventures<br>(Note 15) |          | Amounts due from<br>associated companies<br>(Note 15) |          | Amounts due from<br>related parties<br>(Note 15) |          |
|                 | Gross carrying amount<br>Lifetime | 12-month | Gross carrying amount<br>Lifetime           | 12-month | Gross carrying amount<br>Lifetime                          | 12-month | Gross carrying amount<br>Lifetime               | 12-month | Gross carrying amount<br>Lifetime                     | 12-month | Gross carrying amount<br>Lifetime                | 12-month |
|                 | 1,335,643                         | 305,206  | —                                           | 139,143  | 495,014                                                    | —        | 347,338                                         | —        | 245,891                                               | —        | 2,623                                            | 302      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (c) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents, internally generated sales proceeds and through an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|                                                                         | Less than<br>1 year<br>or on<br>demand<br>RMB'000 | Between<br>1 and<br>2 years<br>RMB'000 | Between<br>2 and<br>5 years<br>RMB'000 | Over<br>5 years<br>RMB'000 | Total<br>RMB'000  |
|-------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------|-------------------|
| <b>As at 31 December 2025</b>                                           |                                                   |                                        |                                        |                            |                   |
| Borrowings                                                              | 533,178                                           | 389,463                                | 1,199,100                              | 1,233,654                  | 3,355,395         |
| Trade and other payables (excluding other taxes payable)                | 23,066,550                                        | —                                      | —                                      | —                          | 23,066,550        |
| Amounts due to related parties, joint ventures and associated companies | 2,327,773                                         | —                                      | —                                      | —                          | 2,327,773         |
| Amounts due to non-controlling interests                                | 686,682                                           | —                                      | —                                      | —                          | 686,682           |
| Financial guarantees to an associated company (Note 11)                 | 508,928                                           | —                                      | —                                      | —                          | 508,928           |
| Financial guarantees to joint arrangements (Note 12)                    | 15,300                                            | —                                      | —                                      | —                          | 15,300            |
| Financial guarantees (Note 37)                                          | 4,488,535                                         | —                                      | —                                      | —                          | 4,488,535         |
| Lease liabilities (Note 27)                                             | 2,324                                             | 8                                      | —                                      | —                          | 2,332             |
|                                                                         | <b>31,629,270</b>                                 | <b>389,471</b>                         | <b>1,199,100</b>                       | <b>1,233,654</b>           | <b>34,451,495</b> |
| <b>As at 31 December 2024</b>                                           |                                                   |                                        |                                        |                            |                   |
| Borrowings                                                              | 378,788                                           | 495,623                                | 654,026                                | 1,256,757                  | 2,785,194         |
| Trade and other payables (excluding other taxes payable)                | 22,372,806                                        | —                                      | —                                      | —                          | 22,372,806        |
| Amounts due to related parties, joint ventures and associated companies | 5,769,523                                         | —                                      | —                                      | —                          | 5,769,523         |
| Amounts due to non-controlling interests                                | 741,149                                           | —                                      | —                                      | —                          | 741,149           |
| Financial guarantees to an associated company (Note 11)                 | 547,016                                           | —                                      | —                                      | —                          | 547,016           |
| Financial guarantees to joint arrangements (Note 12)                    | 424,600                                           | —                                      | —                                      | —                          | 424,600           |
| Financial guarantees (Note 36)                                          | 5,116,407                                         | —                                      | —                                      | —                          | 5,116,407         |
| Lease liabilities (Note 27)                                             | 2,980                                             | 2,324                                  | 8                                      | —                          | 5,312             |
|                                                                         | <b>35,353,269</b>                                 | <b>497,947</b>                         | <b>654,034</b>                         | <b>1,256,757</b>           | <b>37,762,007</b> |

*Note:* The interest payments on borrowings are calculated based on borrowings held as at 31 December 2025 and 2024 respectively without taking into account the future borrowings. Floating-rate interest is estimated using the current interest rate as at 31 December 2025 and 2024 respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less total of cash and cash equivalents and restricted cash. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2025 and 2024 were as follows:

|                                                     | <b>As at 31 December</b> |                |
|-----------------------------------------------------|--------------------------|----------------|
|                                                     | <b>2025</b>              | <b>2024</b>    |
|                                                     | <b>RMB'000</b>           | <b>RMB'000</b> |
| Borrowings                                          | <b>2,787,532</b>         | 2,110,728      |
| Less: cash and cash equivalents and restricted cash | <b>(574,001)</b>         | (1,176,025)    |
| Net debt                                            | <b>2,213,531</b>         | 934,703        |
| Total equity                                        | <b>15,603,232</b>        | 16,801,577     |
| Total Capital                                       | <b>17,816,763</b>        | 17,736,280     |
| Gearing Ratio                                       | <b>12.4%</b>             | 5.3%           |

#### (e) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (e) Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31 December 2025 (Note 18). For investment properties that are measured at fair value, see Note 7 for details.

|                            | Level 1<br>RMB'000 | Level 2<br>RMB'000 | Level 3<br>RMB'000 | Total<br>RMB'000 |
|----------------------------|--------------------|--------------------|--------------------|------------------|
| Financial assets at FVTOCI | —                  | —                  | 27,795             | 27,795           |

The following table presents the Group's financial assets that are measured at fair value at 31 December 2024 (Note 18). For investment properties that are measured at fair value, see Note 7 for details.

|                            | Level 1<br>RMB'000 | Level 2<br>RMB'000 | Level 3<br>RMB'000 | Total<br>RMB'000 |
|----------------------------|--------------------|--------------------|--------------------|------------------|
| Financial assets at FVTOCI | —                  | —                  | 27,795             | 27,795           |

#### (i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

#### (ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3 FINANCIAL RISK MANAGEMENT (continued)

### (e) Fair value estimation (continued)

#### (iii) Financial instruments in Level 3

The following table presents the changes in Level 3 instruments for the years ended 31 December 2025 and 2024:

|                                                                                                                          | Financial assets at FVTOCI |                 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------|
|                                                                                                                          | 2025<br>RMB'000            | 2024<br>RMB'000 |
| Opening balance                                                                                                          | 27,795                     | 27,550          |
| Addition                                                                                                                 | —                          | 245             |
| Closing balance                                                                                                          | 27,795                     | 27,795          |
| Total gains or losses for the year included in profit or loss for financial assets at FVTOCI held at the end of the year | —                          | —               |

### (f) Financial instruments by category

| Financial assets                                                          | As at 31 December |                  |
|---------------------------------------------------------------------------|-------------------|------------------|
|                                                                           | 2025<br>RMB'000   | 2024<br>RMB'000  |
| <b>Financial assets at amortised cost</b>                                 |                   |                  |
| Trade and other receivables                                               | 1,281,489         | 1,203,903        |
| Amounts due from related parties, joint ventures and associated companies | 560,781           | 567,554          |
| Amounts due from non-controlling interests                                | 221,365           | 333,215          |
| Restricted cash                                                           | 3,750             | 5,329            |
| Cash and cash equivalents                                                 | 570,251           | 1,170,696        |
|                                                                           | 2,637,636         | 3,280,697        |
| <b>Financial assets at FVTOCI</b>                                         | 27,795            | 27,795           |
| <b>Total</b>                                                              | <b>2,665,431</b>  | <b>3,308,492</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 3 FINANCIAL RISK MANAGEMENT (continued)

### (f) Financial instruments by category (continued)

| Financial liabilities                                                   | As at 31 December |            |
|-------------------------------------------------------------------------|-------------------|------------|
|                                                                         | 2025              | 2024       |
|                                                                         | RMB'000           | RMB'000    |
| <b>Financial liabilities at amortised cost</b>                          |                   |            |
| Borrowings                                                              | 2,787,532         | 2,110,728  |
| Trade and other payables (excluding other taxes payable)                | 23,066,550        | 22,372,806 |
| Amounts due to related parties, joint ventures and associated companies | 2,327,773         | 5,769,523  |
| Amounts due to non-controlling interests                                | 686,682           | 741,149    |
|                                                                         | 28,868,537        | 30,994,206 |
| <b>Lease liabilities</b>                                                | 2,213             | 4,568      |
| Total                                                                   | 28,870,750        | 30,998,774 |

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) Income taxes and deferred taxation

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain, especially on whether the Group is eligible for a lower PRC withholding tax rate of 5% instead of 10% on the applicable unremitted earnings of its PRC entities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (b) Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation tax. The Group recognised the land appreciation tax of its property projects based on management's best estimates according to its understanding of the tax rules and latest practice of local tax jurisdictions in the cities where the Group's projects are located. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact income tax and deferred income tax provisions in the periods in which such taxes are finalised with local tax authorities.

#### (c) Estimated fair value of investment properties

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

The best evidence of fair value is current prices in an active market for the properties with similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The Group assesses the fair value of its investment properties based on valuations determined by independent professional qualified valuers. The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions are disclosed in Note 7.

#### (d) Provision for properties under development and completed properties held for sale

Estimation of net realisable value of the Group's properties under development and completed properties held for sale involves significant judgements and is critically dependent upon the Group's estimation of the market selling prices and the future costs to completion.

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



## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### (e) Estimated impairment loss on trade and other receivables

The Group recognises allowance for impairment loss on trade and other receivables when the recoverability of the outstanding debts is uncertain. Such allowance is estimated after taking into account various considerations including the age of the debts, creditworthiness of the debtors, past track records for recovery of debts with similar credit risk characteristics and market conditions. Where the expectation is different from the original estimates, such difference will impact the carrying amounts of receivables and allowance for impairment losses in the period in which such estimate had been changed.

### (f) Investments in joint ventures and associates

The Group invested in various joint ventures and associates as at 31 December 2025. The classification on whether those are subsidiaries, joint ventures or associates requires the use of judgement.

The Group tests assets for impairment whenever investments suffer any impairment in accordance to the accounting policies. Investments are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts to the investments to exceed their recoverable amounts. The recoverable amount of an investment is determined as the higher of cash generating unit (CGU)'s fair value less cost to sell and its value-in-use which require the use of assumptions. The estimation of fair value less cost of disposal was made mainly from public market information. The estimated future cash flows used in the value in use assessments are based on assumptions, such as selling price, sales volume, gross margin and discount rates. The assessment requires the use of judgement and estimates.

### (g) Whether the presumption that investment properties stated at fair value are recovered through sale is rebutted in determining deferred tax

The Group has investment properties located in the PRC which are measured at fair value. Investment property is property held to earn rentals or for capital appreciation or both. In considering whether the presumption in HKAS 12 Income Taxes that an investment property measured at fair value will be recovered through sale is rebutted in determining deferred tax, the Group has developed certain criteria in making that judgement, such as whether an investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time or through sale. The presumption is rebutted only in the circumstance that there is sufficient evidence such as a historical transaction, future development plans and management's intention to demonstrate that the investment property is held with the objective to consume substantially all of the economic benefits over time, rather than through sale. Continuous assessments on the presumption will be made by management at each reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (h) Impairment of other non-current assets

Internal and external sources of information are reviewed by the Group at the end of each reporting period to assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash-generating unit to which it belongs is estimated to determine impairment losses on the assets. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect the profit or loss.

As at 31 December 2025, the carrying amounts of property, plant and equipment, investments in associated companies and investments in joint ventures were approximately RMB2,976,998,000, RMB1,843,062,000 and RMB459,825,000 (2024: RMB2,946,884,000, RMB1,894,524,000 and RMB2,463,363,000), respectively. Amounted to RMB84,497,000 impairment loss of property, plant and equipment was provided as at 31 December 2024.

### 5 REVENUES AND SEGMENT INFORMATION

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

- (i) the property development segment engages in real estate development, including commercial and residential;
- (ii) the hotel segment engages in hotel operation;
- (iii) the property investment and management segment invests in properties for their rental income and/or for potential capital appreciation, and provides management and security services to residential, hotel and commercial properties.

Other operating segments mainly include provision of construction services, investment holding, which are not included within the reportable operating segments, as they are not included in the reports provided to the management. The results of these operations are included in the "all other segments" column.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects may be measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and interest income) and income taxes are managed on a group basis and are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 5 REVENUES AND SEGMENT INFORMATION (continued)

The Group's revenue from external customers is derived solely from its operations in the PRC, and no significant non-current assets of the Group are located outside the PRC.

The Group's customer base is diversified and there was no individual customer with whom transactions exceeded 10% of the Group's revenue for both the years 2025 and 2024.

Segment assets consist primarily of property, plant and equipment, investment properties, prepayments for land use rights, properties under development, completed properties held for sale, receivables, contract costs and cash and bank balances. They also include goodwill recognised arising from acquisition of subsidiaries or non-controlling interests relating to respective segments. They exclude deferred income tax assets, prepaid income taxes and other financial assets.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities and income tax payable.

### (a) Segment information

The segment results and other segment items for the year ended 31 December 2025 are as follows:

|                                                                        | Property<br>development<br>RMB'000 | Hotel<br>RMB'000 | Property<br>investment and<br>management<br>RMB'000 | All other<br>segments<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------|------------------------------------|------------------|-----------------------------------------------------|----------------------------------|------------------|
| Total segment revenues                                                 | 3,494,504                          | 277,611          | 582,631                                             | 30,443                           | 4,385,189        |
| Operating profit/(loss)                                                | 129,778                            | (19,565)         | (845,809)                                           | (341,864)                        | (1,077,280)      |
| Finance income — net                                                   |                                    |                  |                                                     |                                  | 2,600            |
| Share of results of associated companies                               | (37,933)                           | —                | (6,099)                                             | (7,430)                          | (51,462)         |
| Share of results of joint ventures                                     | 20,377                             | —                | (289)                                               | —                                | 20,088           |
| Loss before income tax                                                 |                                    |                  |                                                     |                                  | (1,106,054)      |
| Income tax expense                                                     |                                    |                  |                                                     |                                  | (92,694)         |
| Loss for the year                                                      |                                    |                  |                                                     |                                  | (1,198,748)      |
| <b>Other segment information</b>                                       |                                    |                  |                                                     |                                  |                  |
| Capital and property development expenditure                           | 4,706,791                          | 4,705            | 18,807                                              | 840                              | 4,731,143        |
| Depreciation of property, plant and equipment                          | 87,742                             | 42,624           | 2,197                                               | 8,042                            | 140,105          |
| Fair value loss on investment properties                               | —                                  | —                | 971,972                                             | —                                | 971,972          |
| Depreciation of right-of-use assets under properties under development | 47,722                             | —                | —                                                   | —                                | 47,722           |
| Net impairment loss on financial assets                                | 116,495                            | 13,314           | 33,283                                              | 3,328                            | 166,420          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 5 REVENUES AND SEGMENT INFORMATION (continued)

### (a) Segment information (continued)

The segment assets and liabilities as at 31 December 2025 are as follows:

|                                 | Property<br>development<br>RMB'000 | Hotel<br>RMB'000 | Property<br>investment and<br>management<br>RMB'000 | All other<br>segments<br>RMB'000 | Elimination<br>RMB'000 | Total<br>RMB'000 |
|---------------------------------|------------------------------------|------------------|-----------------------------------------------------|----------------------------------|------------------------|------------------|
| Segment assets                  | 85,640,829                         | 1,578,281        | 12,090,703                                          | 22,492,821                       | (67,434,988)           | 54,367,646       |
| Associated companies            | 211,061                            | —                | 1,297,470                                           | 334,531                          | —                      | 1,843,062        |
| Joint ventures                  | 160,114                            | —                | 299,711                                             | —                                | —                      | 459,825          |
|                                 | 86,012,004                         | 1,578,281        | 13,687,884                                          | 22,827,352                       | (67,434,988)           | 56,670,533       |
| Unallocated                     |                                    |                  |                                                     |                                  |                        |                  |
| Deferred income tax assets      |                                    |                  |                                                     |                                  |                        | 53,343           |
| Prepaid income taxes            |                                    |                  |                                                     |                                  |                        | 631,691          |
| Other financial assets          |                                    |                  |                                                     |                                  |                        | 27,795           |
| Total assets                    |                                    |                  |                                                     |                                  |                        | 57,383,362       |
| Segment liabilities             | 93,305,798                         | 103,634          | 2,115,216                                           | 3,753,662                        | (67,434,988)           | 31,843,322       |
| Unallocated                     |                                    |                  |                                                     |                                  |                        |                  |
| Deferred income tax liabilities |                                    |                  |                                                     |                                  |                        | 2,075,892        |
| Borrowings                      |                                    |                  |                                                     |                                  |                        | 2,787,532        |
| Income tax payable              |                                    |                  |                                                     |                                  |                        | 5,073,384        |
| Total liabilities               |                                    |                  |                                                     |                                  |                        | 41,780,130       |

The segment results and other segment items for the year ended 31 December 2024 are as follows:

|                                                                        | Property<br>development<br>RMB'000 | Hotel<br>RMB'000 | Property<br>investment and<br>management<br>RMB'000 | All other<br>segments<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------|------------------------------------|------------------|-----------------------------------------------------|----------------------------------|------------------|
| Total segment revenues                                                 | 5,973,499                          | 288,592          | 658,855                                             | 109,345                          | 7,030,291        |
| Operating profit/(loss)                                                | 791,495                            | (110,925)        | (1,698,349)                                         | (176,562)                        | (1,194,341)      |
| Finance income — net                                                   |                                    |                  |                                                     |                                  | 52,025           |
| Share of results of associated companies                               | (2,815)                            | —                | 6,085                                               | (9,166)                          | (5,896)          |
| Share of results of joint ventures                                     | 9,064                              | —                | (5,676)                                             | —                                | 3,388            |
| Loss before income tax                                                 |                                    |                  |                                                     |                                  | (1,144,824)      |
| Income tax expense                                                     |                                    |                  |                                                     |                                  | (664,326)        |
| Loss for the year                                                      |                                    |                  |                                                     |                                  | (1,809,150)      |
| <b>Other segment information</b>                                       |                                    |                  |                                                     |                                  |                  |
| Capital and property development expenditure                           | 4,862,831                          | 11,260           | 14,542                                              | 78,367                           | 4,967,000        |
| Depreciation of property, plant and equipment                          | 79,128                             | 44,960           | 2,015                                               | 4,915                            | 131,018          |
| Fair value loss on investment properties                               | —                                  | —                | 1,198,766                                           | —                                | 1,198,766        |
| Depreciation of right-of use assets under properties under development | 48,272                             | —                | —                                                   | —                                | 48,272           |
| Net impairment loss on financial assets                                | 353,462                            | 13,004           | 11,821                                              | 15,762                           | 394,049          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 5 REVENUES AND SEGMENT INFORMATION (continued)

### (a) Segment information (continued)

The segment assets and liabilities as at 31 December 2024 are as follows:

|                                 | Property<br>development<br>RMB'000 | Hotel<br>RMB'000 | Property<br>investment and<br>management<br>RMB'000 | All other<br>segments<br>RMB'000 | Elimination<br>RMB'000 | Total<br>RMB'000 |
|---------------------------------|------------------------------------|------------------|-----------------------------------------------------|----------------------------------|------------------------|------------------|
| Segment assets                  | 78,008,870                         | 1,643,534        | 13,563,415                                          | 21,340,535                       | (57,405,521)           | 57,150,833       |
| Associated companies            | 248,995                            | —                | 1,305,619                                           | 339,910                          | —                      | 1,894,524        |
| Joint ventures                  | 223,718                            | —                | 2,239,645                                           | —                                | —                      | 2,463,363        |
|                                 | 78,481,583                         | 1,643,534        | 17,108,679                                          | 21,680,445                       | (57,405,521)           | 61,508,720       |
| Unallocated                     |                                    |                  |                                                     |                                  |                        |                  |
| Deferred income tax assets      |                                    |                  |                                                     |                                  |                        | 143,277          |
| Prepaid income taxes            |                                    |                  |                                                     |                                  |                        | 646,846          |
| Other financial assets          |                                    |                  |                                                     |                                  |                        | 27,795           |
| Total assets                    |                                    |                  |                                                     |                                  |                        | 62,326,638       |
| Segment liabilities             | 84,499,549                         | 149,204          | 2,631,739                                           | 6,205,259                        | (57,405,521)           | 36,080,230       |
| Unallocated                     |                                    |                  |                                                     |                                  |                        |                  |
| Deferred income tax liabilities |                                    |                  |                                                     |                                  |                        | 2,289,693        |
| Borrowings                      |                                    |                  |                                                     |                                  |                        | 2,110,728        |
| Income tax payable              |                                    |                  |                                                     |                                  |                        | 5,044,410        |
| Total liabilities               |                                    |                  |                                                     |                                  |                        | 45,525,061       |

### (b) Revenues

The following summary describes the operations in each of the Group's reportable segments:

|                                                                    | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------------|-----------------|-----------------|
| Revenue from contracts with customer within the scope of HKFRS 15: |                 |                 |
| • Property development                                             | 3,494,504       | 5,973,499       |
| • Hotel                                                            | 277,611         | 288,592         |
| • Property investment and management                               |                 |                 |
| — property management fee income                                   | 253,705         | 251,810         |
| • All other segments                                               | 30,443          | 109,345         |
|                                                                    | 4,056,263       | 6,623,246       |
| Revenue from other sources                                         |                 |                 |
| • Property investment and management — rental income               | 328,926         | 407,045         |
|                                                                    | 4,385,189       | 7,030,291       |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 5 REVENUES AND SEGMENT INFORMATION (continued)

### (b) Revenues (continued)

In the following tables, revenue is disaggregated by primary geographical market, major products and service and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

|                                         | Property development |           | Hotel   |         | Property investment and management |         | All other segments |         | Total     |           |
|-----------------------------------------|----------------------|-----------|---------|---------|------------------------------------|---------|--------------------|---------|-----------|-----------|
|                                         | 2025                 | 2024      | 2025    | 2024    | 2025                               | 2024    | 2025               | 2024    | 2025      | 2024      |
|                                         | RMB'000              | RMB'000   | RMB'000 | RMB'000 | RMB'000                            | RMB'000 | RMB'000            | RMB'000 | RMB'000   | RMB'000   |
| Primary geographical markets            |                      |           |         |         |                                    |         |                    |         |           |           |
| PRC                                     | 3,494,504            | 5,973,499 | 277,611 | 288,592 | 582,631                            | 658,855 | 30,443             | 109,345 | 4,385,189 | 7,030,291 |
| Major products/services                 |                      |           |         |         |                                    |         |                    |         |           |           |
| Sales of properties                     | 3,494,504            | 5,973,499 | —       | —       | —                                  | —       | —                  | —       | 3,494,504 | 5,973,499 |
| Hotel room services                     | —                    | —         | 162,236 | 139,978 | —                                  | —       | —                  | —       | 162,236   | 139,978   |
| Hotel — food and drinks                 | —                    | —         | 115,375 | 148,614 | —                                  | —       | —                  | —       | 115,375   | 148,614   |
| Rental income                           |                      |           |         |         |                                    |         |                    |         |           |           |
| — from investment properties            | —                    | —         | —       | —       | 313,051                            | 394,070 | —                  | —       | 313,051   | 394,070   |
| — others                                | —                    | —         | —       | —       | 15,875                             | 12,975  | —                  | —       | 15,875    | 12,975    |
| Property management fee income          | —                    | —         | —       | —       | 253,705                            | 251,810 | —                  | —       | 253,705   | 251,810   |
| Miscellaneous income                    | —                    | —         | —       | —       | —                                  | —       | 30,443             | 109,345 | 30,443    | 109,345   |
|                                         | 3,494,504            | 5,973,499 | 277,611 | 288,592 | 582,631                            | 658,855 | 30,443             | 109,345 | 4,385,189 | 7,030,291 |
| Timing of revenue recognition           |                      |           |         |         |                                    |         |                    |         |           |           |
| At a point in time                      | 3,494,504            | 5,973,499 | 115,375 | 148,614 | —                                  | —       | 30,443             | 24,196  | 3,640,322 | 6,146,309 |
| Transferred over time                   | —                    | —         | 162,236 | 139,978 | 253,705                            | 251,810 | —                  | 85,149  | 415,941   | 476,937   |
| Straight-line basis over the lease term | —                    | —         | —       | —       | 328,926                            | 407,045 | —                  | —       | 328,926   | 407,045   |
|                                         | 3,494,504            | 5,973,499 | 277,611 | 288,592 | 582,631                            | 658,855 | 30,443             | 109,345 | 4,385,189 | 7,030,291 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 6 PROPERTY, PLANT AND EQUIPMENT

|                                                 | Assets under<br>construction<br>RMB'000 | Hotel<br>buildings and<br>improvements<br>RMB'000 | Machinery<br>RMB'000 | Furniture and<br>equipment<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Self-use<br>buildings<br>RMB'000 | Right-of-use<br>assets<br>RMB'000 | Total<br>RMB'000 |
|-------------------------------------------------|-----------------------------------------|---------------------------------------------------|----------------------|---------------------------------------|------------------------------|----------------------------------|-----------------------------------|------------------|
| <b>Cost</b>                                     |                                         |                                                   |                      |                                       |                              |                                  |                                   |                  |
| As at 1 January 2025                            | 438,655                                 | 2,504,281                                         | 39,294               | 212,879                               | 115,594                      | 45,576                           | 853,800                           | 4,210,079        |
| Additions                                       | —                                       | 19,495                                            | 394                  | 1,763                                 | 801                          | 10,564                           | —                                 | 33,017           |
| Disposals                                       | —                                       | (10,599)                                          | (94)                 | (1,622)                               | (5,662)                      | (6,699)                          | —                                 | (24,676)         |
| Transfer from property under<br>development     | 140,456                                 | —                                                 | —                    | —                                     | —                            | —                                | —                                 | 140,456          |
| Transfer to hotel buildings and<br>improvements | (140,456)                               | 140,456                                           | —                    | —                                     | —                            | —                                | —                                 | —                |
| As at 31 December 2025                          | 438,655                                 | 2,653,633                                         | 39,594               | 213,020                               | 110,733                      | 49,441                           | 853,800                           | 4,358,876        |
| <b>Accumulated depreciation</b>                 |                                         |                                                   |                      |                                       |                              |                                  |                                   |                  |
| As at 1 January 2025                            | —                                       | (709,545)                                         | (28,765)             | (172,390)                             | (95,906)                     | (43,665)                         | (212,924)                         | (1,263,195)      |
| Charge for the year                             | —                                       | (116,308)                                         | (1,823)              | (8,133)                               | (4,049)                      | —                                | (9,792)                           | (140,105)        |
| Disposals                                       | —                                       | 9,785                                             | 63                   | —                                     | 5,541                        | 6,033                            | —                                 | 21,422           |
| As at 31 December 2025                          | —                                       | (816,068)                                         | (30,525)             | (180,523)                             | (94,414)                     | (37,632)                         | (222,716)                         | (1,381,878)      |
| <b>Net book value</b>                           |                                         |                                                   |                      |                                       |                              |                                  |                                   |                  |
| As at 31 December 2025                          | 438,655                                 | 1,837,565                                         | 9,069                | 32,497                                | 16,319                       | 11,809                           | 631,084                           | 2,976,998        |

|                                                 | Assets under<br>construction<br>RMB'000 | Hotel<br>buildings and<br>improvements<br>RMB'000 | Machinery<br>RMB'000 | Furniture and<br>equipment<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Self-use<br>buildings<br>RMB'000 | Right-of-use<br>assets<br>RMB'000 | Total<br>RMB'000 |
|-------------------------------------------------|-----------------------------------------|---------------------------------------------------|----------------------|---------------------------------------|------------------------------|----------------------------------|-----------------------------------|------------------|
| <b>Cost</b>                                     |                                         |                                                   |                      |                                       |                              |                                  |                                   |                  |
| As at 1 January 2024                            | 438,655                                 | 2,248,193                                         | 36,198               | 219,111                               | 116,002                      | 46,275                           | 853,800                           | 3,958,234        |
| Transfer from property under<br>development     | 315,563                                 | —                                                 | —                    | —                                     | —                            | —                                | —                                 | 315,563          |
| Additions                                       | —                                       | —                                                 | 3,191                | —                                     | 633                          | —                                | —                                 | 3,824            |
| Disposals                                       | —                                       | (59,475)                                          | (95)                 | (6,232)                               | (1,041)                      | (699)                            | —                                 | (67,542)         |
| Transfer to hotel buildings and<br>improvements | (315,563)                               | 315,563                                           | —                    | —                                     | —                            | —                                | —                                 | —                |
| As at 31 December 2024                          | 438,655                                 | 2,504,281                                         | 39,294               | 212,879                               | 115,594                      | 45,576                           | 853,800                           | 4,210,079        |
| <b>Accumulated depreciation</b>                 |                                         |                                                   |                      |                                       |                              |                                  |                                   |                  |
| As at 1 January 2024                            | —                                       | (531,836)                                         | (26,148)             | (158,892)                             | (93,341)                     | (44,359)                         | (207,034)                         | (1,061,610)      |
| Charge for the year                             | —                                       | (103,290)                                         | (2,675)              | (15,573)                              | (3,590)                      | —                                | (5,890)                           | (131,018)        |
| Impairment loss                                 | —                                       | (84,497)                                          | —                    | —                                     | —                            | —                                | —                                 | (84,497)         |
| Disposals                                       | —                                       | 10,078                                            | 58                   | 2,075                                 | 1,025                        | 694                              | —                                 | 13,930           |
| As at 31 December 2024                          | —                                       | (709,545)                                         | (28,765)             | (172,390)                             | (95,906)                     | (43,665)                         | (212,924)                         | (1,263,195)      |
| <b>Net book value</b>                           |                                         |                                                   |                      |                                       |                              |                                  |                                   |                  |
| As at 31 December 2024                          | 438,655                                 | 1,794,736                                         | 10,529               | 40,489                                | 19,688                       | 1,911                            | 640,876                           | 2,946,884        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6 PROPERTY, PLANT AND EQUIPMENT (continued)

There was no impairment loss recognised in profit or loss for the hotel buildings and improvements for the year ended 31 December 2025 (2024: impairment loss of RMB84,497,000).

Depreciation of property, plant and equipment of RMB140,105,000 (2024: RMB131,018,000) has been charged to the consolidated statement of profit or loss.

As at 31 December 2025, certain hotel buildings amounted to RMB1,063,078,000 were pledged as collateral for the Group's renewed borrowings. As at 31 December 2024, no hotel buildings were pledged as collateral for the Group's borrowings.

There was no interest capitalised in assets under construction for the year ended 31 December 2025 (2024: Nil).

#### Right-of-use assets

|                                        | Land use rights<br>(Note i)<br>RMB'000 | Properties<br>(Note ii)<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------|----------------------------------------|------------------------------------|------------------|
| At 1 January 2024                      | 640,705                                | 6,061                              | 646,766          |
| Depreciation                           | (3,610)                                | (2,280)                            | (5,890)          |
| At 31 December 2024 and 1 January 2025 | 637,095                                | 3,781                              | 640,876          |
| Depreciation                           | (7,732)                                | (2,060)                            | (9,792)          |
| At 31 December 2025                    | 629,363                                | 1,721                              | 631,084          |

*Note i:* Land use rights comprise cost of acquiring rights to use certain lands, which are all located outside Hong Kong and primarily in PRC for property, plant and equipment.

*Note ii:* The Group has obtained the right to use other properties as its office through tenancy agreements. The leases typically run for an initial period of 2 to 10 years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 7 INVESTMENT PROPERTIES

|                                                  | Year ended 31 December |                 |
|--------------------------------------------------|------------------------|-----------------|
|                                                  | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Opening balance                                  | 11,443,316             | 13,552,000      |
| Transfer from completed properties held for sale | 8,130                  | 235,240         |
| Transfer to completed properties held for sale   | (89,150)               | —               |
| Fair value loss                                  | (971,972)              | (1,198,766)     |
| Disposals                                        | (258,324)              | (1,145,158)     |
| Ending balance                                   | 10,132,000             | 11,443,316      |

The investment properties were revalued on an existing use basis at the end of each reporting period date by Cushman & Wakefield Limited ("C&W"), an independent and professionally qualified valuer. Valuations were based on either capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties or on direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market.

The Group's interests in investment properties at their net book values are analysed as follows:

|                                           | As at 31 December |                 |
|-------------------------------------------|-------------------|-----------------|
|                                           | 2025<br>RMB'000   | 2024<br>RMB'000 |
| In the PRC, held on leases of 10–50 years | 10,132,000        | 11,443,316      |

As at 31 December 2025, investment properties of RMB4,325,838,000 (2024: RMB2,168,000,000) were pledged as collateral for the Group's borrowings, and RMB2,509,952,000 (2024: RMB1,000,000,000) were pledged as collateral for a joint venture's borrowings.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. The leases typically run for a period between 1 to 15 years. The lessees do not have an option to purchase the property at the expiry of the lease period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 7 INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy

| Description                               | Fair value measurements<br>at 31 December 2025 using          |                                              |                                       |
|-------------------------------------------|---------------------------------------------------------------|----------------------------------------------|---------------------------------------|
|                                           | Quoted prices<br>in active<br>markets for<br>identical assets | Significant<br>other<br>observable<br>inputs | Significant<br>unobservable<br>inputs |
|                                           | (Level 1)                                                     | (Level 2)                                    | (Level 3)                             |
|                                           | RMB'000                                                       | RMB'000                                      | RMB'000                               |
| Recurring fair value measurements         |                                                               |                                              |                                       |
| Investment properties located in the PRC: |                                                               |                                              |                                       |
| — Completed investment properties         | —                                                             | —                                            | 9,942,000                             |
| — Investment property under development   | —                                                             | —                                            | 190,000                               |
| Total                                     | —                                                             | —                                            | 10,132,000                            |

| Description                               | Fair value measurements<br>at 31 December 2024 using          |                                              |                                       |
|-------------------------------------------|---------------------------------------------------------------|----------------------------------------------|---------------------------------------|
|                                           | Quoted prices<br>in active<br>markets for<br>identical assets | Significant<br>other<br>observable<br>inputs | Significant<br>unobservable<br>inputs |
|                                           | (Level 1)                                                     | (Level 2)                                    | (Level 3)                             |
|                                           | RMB'000                                                       | RMB'000                                      | RMB'000                               |
| Recurring fair value measurements         |                                                               |                                              |                                       |
| Investment properties located in the PRC: |                                                               |                                              |                                       |
| — Completed investment properties         | —                                                             | —                                            | 11,223,316                            |
| — Investment property under development   | —                                                             | —                                            | 220,000                               |
| Total                                     | —                                                             | —                                            | 11,443,316                            |

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 7 INVESTMENT PROPERTIES (continued)

Fair value measurements using significant unobservable inputs (Level 3)

|                                                                                                     | Year ended 31 December 2025                |                                                  |                  |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|------------------|
|                                                                                                     | Completed investment properties<br>RMB'000 | Investment property under development<br>RMB'000 | Total<br>RMB'000 |
| Opening balance                                                                                     | 11,223,316                                 | 220,000                                          | 11,443,316       |
| Additions                                                                                           | 8,130                                      | —                                                | 8,130            |
| Transfer to completed properties held for sales                                                     | (89,150)                                   | —                                                | (89,150)         |
| Fair value loss                                                                                     | (941,972)                                  | (30,000)                                         | (971,972)        |
| Disposals                                                                                           | (258,324)                                  | —                                                | (258,324)        |
| Ending balance                                                                                      | 9,942,000                                  | 190,000                                          | 10,132,000       |
| Total losses for the year included in profit or loss under fair value loss on investment properties | (941,972)                                  | (30,000)                                         | (971,972)        |

|                                                                                                     | Year ended 31 December 2024                |                                                  |                  |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|------------------|
|                                                                                                     | Completed investment properties<br>RMB'000 | Investment property under development<br>RMB'000 | Total<br>RMB'000 |
| Opening balance                                                                                     | 13,300,000                                 | 252,000                                          | 13,552,000       |
| Additions                                                                                           | 235,240                                    | —                                                | 235,240          |
| Fair value loss                                                                                     | (1,166,766)                                | (32,000)                                         | (1,198,766)      |
| Disposals                                                                                           | (1,145,158)                                | —                                                | (1,145,158)      |
| Ending balance                                                                                      | 11,223,316                                 | 220,000                                          | 11,443,316       |
| Total losses for the year included in profit or loss under fair value loss on investment properties | (1,166,766)                                | (32,000)                                         | (1,198,766)      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 7 INVESTMENT PROPERTIES (continued)

#### Valuation processes of the Group

The Group's investment properties were valued at 31 December 2025 and 2024 by an independent and professionally qualified valuer who holds a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer, including:

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

#### Valuation techniques

For completed investment properties, the valuation was determined using the income capitalisation approach which was based on capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

For investment properties under development, the valuation was based on a direct comparison model taking into account the following estimates (in addition to the inputs noted above):

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs to complete | These are largely consistent with internal budgets developed by the Group's finance department, based on management's experience and knowledge of market conditions. Costs to complete also include a reasonable profit margin;                                                                                                                                                                                                                                                                                                                                             |
| Completion dates  | Properties under development require approval or permits from oversight bodies at various points in the development process, including approval or permits in respect of initial design, zoning, commissioning, and compliance with environmental regulations. Based on management's experience with similar developments, all relevant permits and approvals are expected to be obtained. However, the completion date of the development may vary depending on, among other factors, the timeliness of obtaining approvals and any remedial action required by the Group. |

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 7 INVESTMENT PROPERTIES (continued)

### Information about fair value measurements using significant unobservable inputs (Level 3)

| Description                           | Fair value at<br>31 December<br>2025<br>RMB'000 | Valuation technique(s)                             | Unobservable inputs                                                                                                                       | Range of<br>unobservable<br>inputs                                   | Relationship of unobservable<br>inputs to fair value                                                                                                                                             |
|---------------------------------------|-------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Completed investment properties       | 9,942,000                                       | Income capitalisation approach                     | Rental value<br>Term yield<br>Reversionary yield                                                                                          | RMB4-65 per square metre<br>5.25%-7.25%<br>5.5%-8%                   | The higher the market rent, the higher the fair value<br>The higher the term yield, the lower the fair value<br>The higher the reversionary yield, the lower the fair value                      |
| Investment property under development | 190,000                                         | Direct comparison with estimated costs to complete | Estimated costs to completion<br>Direct comparison value<br>Estimated profit margin required to hold and develop properties to completion | RMB165,000,000<br>RMB7,600 per square metre<br>20% of property value | The higher the estimated costs, the lower the fair value<br>The higher the direct comparison value, the higher the fair value<br>The higher the profit margin required, the lower the fair value |
| Description                           | Fair value at<br>31 December<br>2024<br>RMB'000 | Valuation technique(s)                             | Unobservable inputs                                                                                                                       | Range of<br>unobservable<br>inputs                                   | Relationship of unobservable<br>inputs to fair value                                                                                                                                             |
| Completed investment properties       | 11,223,316                                      | Income capitalisation approach                     | Rental value<br>Term yield<br>Reversionary yield                                                                                          | RMB4-65 per square metre per month<br>5.0-7.0%<br>5.5-7.5%           | The higher the market rent, the higher the fair value<br>The higher the term yield, the lower the fair value<br>The higher the reversionary yield, the lower the fair value                      |
| Investment property under development | 220,000                                         | Direct comparison with estimated costs to complete | Estimated costs to completion<br>Direct comparison value<br>Estimated profit margin required to hold and develop properties to completion | RMB165,000,000<br>RMB8,300 per square metre<br>20% of property value | The higher the estimated costs, the lower the fair value<br>The higher the direct comparison value, the higher the fair value<br>The higher the profit margin required, the lower the fair value |

There are inter-relationships between unobservable inputs. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. For investment properties under development, increases in construction costs that enhance the property's features may result in an increase of future rental values. An increase in future rental income may be linked with higher costs. If the remaining lease term increases, the yield may decrease.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 7 INVESTMENT PROPERTIES (continued)

The following amounts have been recognised in the consolidated statement of profit or loss:

|                                                                                          | Year ended 31 December |                 |
|------------------------------------------------------------------------------------------|------------------------|-----------------|
|                                                                                          | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Rental income                                                                            | 328,926                | 407,045         |
| Direct operating expenses arising from investment properties that generate rental income | (174,464)              | (178,011)       |

During the years ended 31 December 2025 and 2024, the investment properties are all located in the PRC and have remaining lease period less than 40 years.

### 8 PREPAYMENTS FOR LAND USE RIGHTS

The Group had made prepayments for acquisition of certain land use rights, the ownership certificates of which had not been obtained as at 31 December 2024.

### 9 GOODWILL

Goodwill arising from acquisitions:

|                            | Year ended 31 December |                 |
|----------------------------|------------------------|-----------------|
|                            | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Opening and ending balance | 7,169                  | 7,169           |

#### Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment level summary of the goodwill is presented below:

|                      | As at 31 December |                 |
|----------------------|-------------------|-----------------|
|                      | 2025<br>RMB'000   | 2024<br>RMB'000 |
| Property development | 7,169             | 7,169           |

The recoverable amount of a CGU is determined based on the higher of the fair value (less cost to sell) of the related properties development operation or its value-in-use estimate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 10 PROPERTIES UNDER DEVELOPMENT

|                                                 | As at 31 December |            |
|-------------------------------------------------|-------------------|------------|
|                                                 | 2025              | 2024       |
|                                                 | RMB'000           | RMB'000    |
| Properties under development comprise:          |                   |            |
| Construction costs and capitalised expenditures | 15,355,223        | 15,826,799 |
| Interest capitalised                            | 1,157,698         | 1,258,136  |
|                                                 | 16,512,921        | 17,084,935 |

The properties under development are all in PRC.

As at 31 December 2025, properties under development of RMB929,490,000 (2024: RMB371,670,000) were pledged as collateral for the Group's borrowings.

The capitalisation rate of borrowings was 4.7% for the year ended 31 December 2025 (2024: 5.2%).

As at 31 December 2025, no leasehold interest in land were pledged as collateral for the Group's borrowings.

As at 31 December 2024, leasehold interests in land approximately RMB132,798,000 were pledged as collateral for the Group's borrowings.

As at 31 December 2025, properties under development amounted to approximately RMB8,110,052,000 (2024: RMB10,448,458,000) were not expected to be realised within twelve months from the end of the reporting period.

## 11 INVESTMENTS IN ASSOCIATED COMPANIES

|                         | As at 31 December |           |
|-------------------------|-------------------|-----------|
|                         | 2025              | 2024      |
|                         | RMB'000           | RMB'000   |
| Share of net assets     | 1,794,502         | 1,845,964 |
| Goodwill on acquisition | 48,560            | 48,560    |
|                         | 1,843,062         | 1,894,524 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 11 INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Nature of investments in the unlisted associated companies in 2025 and 2024

| Name of entity                                                                                                           | Place of incorporation/<br>registration<br>and business | % of<br>interest<br>held | Measurement method |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------|--------------------|
| Eagle Rights Limited (“ <b>Eagle Rights</b> ”)                                                                           | British Virgin Islands/Japan                            | 33.33%                   | Equity accounting  |
| Changchun Shimao Mingfa Real Estate Company Limited (“ <b>Shimao Mingfa</b> ”)<br>長春世茂明發房地產開發有限公司                        | PRC                                                     | 37.50%                   | Equity accounting  |
| Nanjing Software Valley Qichuang Communication Technology Co., Ltd (“ <b>Mingfa Tongxin</b> ”)<br>南京軟件谷奇創通訊科技有限公司        | PRC                                                     | 49%                      | Equity accounting  |
| Nanjing Software Valley Information Development Company Limited (“ <b>Software Valley Mingfa</b> ”)<br>南京軟件谷明發信息科技發展有限公司 | PRC                                                     | 48%                      | Equity accounting  |
| Zhangchun Yue Yi Real Estate Development Co., Ltd (“ <b>Yue Yi</b> ”)<br>長春悅翊房地產開發有限公司                                   | PRC                                                     | 37.50%                   | Equity accounting  |
| Jiangsu Zhuye Construction Technology Development Company Limited<br>江蘇築業建築科技發展有限公司                                      | PRC                                                     | 30%                      | Equity accounting  |
| Nanjing Ruijing Real Estate Development Co., Ltd.<br>南京銳昱房地產開發有限公司                                                       | PRC                                                     | 25%                      | Equity accounting  |
| Nanjing Tongdao Education Consulting Co., Ltd.<br>南京同道教育諮詢有限公司                                                           | PRC                                                     | 30%                      | Equity accounting  |
| Winning Orient Ltd (“ <b>Winning Orient</b> ”)<br>東勝有限公司                                                                 | Hong Kong                                               | 49%                      | Equity accounting  |
| Guang'an Yueshang Commercial Management Co., Ltd.<br>廣安市悅尚商業管理有限公司                                                       | PRC                                                     | 49%                      | Equity accounting  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 11 INVESTMENTS IN ASSOCIATED COMPANIES (continued)

### Nature of investments in the unlisted associated companies in 2025 and 2024 (continued)

As at 31 December 2025 and 2024, the Group provided guarantees of the following amounts in respect of bank borrowings to its associated company:

|                | As at 31 December |         |
|----------------|-------------------|---------|
|                | 2025              | 2024    |
|                | RMB'000           | RMB'000 |
| Mingfa Tongxin | 508,928           | 547,016 |

### Summarised financial information for the associated companies

Set out below are the summarised financial information for material associated companies which are accounted for using the equity accounting method.

### Summarised statement of financial position

|                         | Eagle Rights      |         | Shimao Mingfa     |         | Mingfa Tongxin    |             | Software Valley Mingfa |             | Yue Yi            |             | Winning Orient    |             | Others            |           |
|-------------------------|-------------------|---------|-------------------|---------|-------------------|-------------|------------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-----------|
|                         | As at 31 December |         | As at 31 December |         | As at 31 December |             | As at 31 December      |             | As at 31 December |             | As at 31 December |             | As at 31 December |           |
|                         | 2025              | 2024    | 2025              | 2024    | 2025              | 2024        | 2025                   | 2024        | 2025              | 2024        | 2025              | 2024        | 2025              | 2024      |
|                         | RMB'000           | RMB'000 | RMB'000           | RMB'000 | RMB'000           | RMB'000     | RMB'000                | RMB'000     | RMB'000           | RMB'000     | RMB'000           | RMB'000     | RMB'000           | RMB'000   |
| <b>Assets</b>           |                   |         |                   |         |                   |             |                        |             |                   |             |                   |             |                   |           |
| Current assets          | 88,937            | 67,415  | 253,773           | 253,774 | 184,385           | 248,539     | 291,408                | 374,609     | 1,427,195         | 1,518,303   | 4,392,281         | 4,410,801   | 56,896            | 247,614   |
| Non-current assets      | 57,344            | 58,891  | 20                | 20      | 1,149,608         | 1,231,512   | 2,780,783              | 2,791,627   | 14,860            | 14,860      | 6,481             | 6,481       | 361,515           | 385,524   |
|                         | 146,281           | 126,306 | 253,793           | 253,794 | 1,333,993         | 1,480,051   | 3,072,191              | 3,166,236   | 1,442,055         | 1,533,163   | 4,398,762         | 4,417,282   | 418,411           | 633,138   |
| <b>Liabilities</b>      |                   |         |                   |         |                   |             |                        |             |                   |             |                   |             |                   |           |
| Current liabilities     | (47,107)          | (4,941) | (1)               | (1)     | (80,763)          | (97,025)    | (73,797)               | (272,815)   | (1,203,747)       | (1,281,650) | (3,455,789)       | (3,459,146) | (130,810)         | (324,655) |
| Non-current liabilities | —                 | —       | —                 | —       | (1,038,627)       | (1,116,361) | (953,302)              | (853,302)   | (125,244)         | (125,244)   | —                 | —           | —                 | —         |
|                         | (47,107)          | (4,941) | (1)               | (1)     | (1,119,390)       | (1,213,386) | (1,027,099)            | (1,126,117) | (1,328,991)       | (1,406,894) | (3,455,789)       | (3,459,146) | (130,810)         | (324,655) |
| Net assets              | 99,174            | 121,365 | 253,792           | 253,793 | 214,603           | 266,665     | 2,045,092              | 2,040,119   | 113,064           | 126,269     | 942,973           | 958,136     | 287,601           | 308,483   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 11 INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Summarised statement of profit or loss and other comprehensive income

|                            | Eagle Rights      |          | Shimao Mingfa     |         | Mingfa Tongxin    |           | Software Valley Mingfa |          | Yue Yi            |          | Winning Orient    |          | Others            |          |
|----------------------------|-------------------|----------|-------------------|---------|-------------------|-----------|------------------------|----------|-------------------|----------|-------------------|----------|-------------------|----------|
|                            | As at 31 December |          | As at 31 December |         | As at 31 December |           | As at 31 December      |          | As at 31 December |          | As at 31 December |          | As at 31 December |          |
|                            | 2025              | 2024     | 2025              | 2024    | 2025              | 2024      | 2025                   | 2024     | 2025              | 2024     | 2025              | 2024     | 2025              | 2024     |
|                            | RMB'000           | RMB'000  | RMB'000           | RMB'000 | RMB'000           | RMB'000   | RMB'000                | RMB'000  | RMB'000           | RMB'000  | RMB'000           | RMB'000  | RMB'000           | RMB'000  |
| Income                     | 25,907            | 25,210   | —                 | —       | 94,754            | 129,164   | 51,558                 | 57,914   | 100,811           | 81,739   | 39,184            | 21,924   | 944               | 59,739   |
| Expenses                   | (36,745)          | (61,766) | (1)               | (975)   | (146,816)         | (138,961) | (46,585)               | (43,989) | (114,016)         | (72,769) | (54,347)          | (40,630) | 4,796             | (70,862) |
| (Loss)/profit after tax    | (10,838)          | (36,556) | (1)               | (975)   | (52,062)          | (9,797)   | 4,973                  | 13,925   | (13,025)          | 8,970    | (15,163)          | (18,706) | 5,740             | (11,123) |
| — Exchange differences     | (11,353)          | (39,349) | —                 | —       | —                 | —         | —                      | —        | —                 | —        | —                 | —        | —                 | —        |
| Total comprehensive income | (22,191)          | (75,905) | (1)               | (975)   | (52,062)          | (9,797)   | 4,973                  | 13,925   | (13,025)          | 8,970    | (15,163)          | (18,706) | 5,740             | (11,123) |

The information above reflects the amounts presented in the financial statements of the associated companies, adjusted for differences in accounting policies between the Group and the associated companies, and not the Group's share of those amounts.

### Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of the Group's interests in associated companies:

|                                           | Eagle Rights      |          | Shimao Mingfa     |         | Mingfa Tongxin    |         | Software Valley Mingfa |           | Yue Yi            |         | Winning Orient    |          | Others            |          |
|-------------------------------------------|-------------------|----------|-------------------|---------|-------------------|---------|------------------------|-----------|-------------------|---------|-------------------|----------|-------------------|----------|
|                                           | As at 31 December |          | As at 31 December |         | As at 31 December |         | As at 31 December      |           | As at 31 December |         | As at 31 December |          | As at 31 December |          |
|                                           | 2025              | 2024     | 2025              | 2024    | 2025              | 2024    | 2025                   | 2024      | 2025              | 2024    | 2025              | 2024     | 2025              | 2024     |
|                                           | RMB'000           | RMB'000  | RMB'000           | RMB'000 | RMB'000           | RMB'000 | RMB'000                | RMB'000   | RMB'000           | RMB'000 | RMB'000           | RMB'000  | RMB'000           | RMB'000  |
| Opening net assets                        | 121,365           | 92,828   | 253,793           | 254,768 | 266,665           | 276,462 | 2,040,119              | 2,026,194 | 126,269           | 117,299 | 958,136           | 976,842  | 308,483           | 319,606  |
| Capital injection                         | —                 | 104,442  | —                 | —       | —                 | —       | —                      | —         | —                 | —       | —                 | —        | —                 | —        |
| Disposal                                  | —                 | —        | —                 | —       | —                 | —       | —                      | —         | —                 | —       | —                 | —        | —                 | —        |
| (Loss)/profit for the year                | (10,838)          | (36,556) | (1)               | (975)   | (52,062)          | (9,797) | 4,973                  | 13,925    | (13,205)          | 8,970   | (15,163)          | (18,706) | (20,882)          | (11,123) |
| Exchange differences                      | (11,353)          | (39,349) | —                 | —       | —                 | —       | —                      | —         | —                 | —       | —                 | —        | —                 | —        |
| Closing net assets                        | 99,174            | 121,365  | 253,792           | 253,793 | 214,603           | 266,665 | 2,045,092              | 2,040,119 | 113,064           | 126,269 | 942,973           | 958,136  | 287,601           | 308,483  |
| % of interest held                        | 33.33%            | 33.33%   | 37.50%            | 37.50%  | 49.00%            | 49.00%  | 48.00%                 | 48.00%    | 37.50%            | 37.50%  | 49.00%            | 49.00%   | 25-49%            | 25-49%   |
| Group's interests in associated companies | 33,055            | 40,451   | 95,172            | 95,172  | 105,155           | 130,666 | 981,644                | 979,257   | 42,399            | 47,351  | 462,057           | 469,487  | 75,020            | 83,580   |
| Goodwill                                  | —                 | —        | 48,560            | 48,560  | —                 | —       | —                      | —         | —                 | —       | —                 | —        | —                 | —        |
| Carrying amount                           | 33,055            | 40,451   | 143,732           | 143,732 | 105,155           | 130,666 | 981,644                | 979,257   | 42,399            | 47,351  | 462,057           | 469,487  | 75,020            | 83,580   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 12 INVESTMENTS IN JOINT VENTURES

|                     | Year ended 31 December |                 |
|---------------------|------------------------|-----------------|
|                     | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Share of net assets | 459,825                | 2,463,363       |

### Nature of investments in material joint ventures in 2025 and 2024

| Name of entity                                                                                                                       | Place of incorporation/<br>registration<br>and business | % of<br>interest held | Measurement method           |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------|------------------------------|
| Nanjing Mingfa Technological and Commercial Town Construction Development Co., Ltd.<br>("Mingfa Technological")<br>南京明發科技商務城建設發展有限公司 | PRC                                                     | 100%<br>(2024: 51%)   | Equity accounting<br>Note 36 |
| Versilcraft Holdings Limited ("Versilcraft")                                                                                         | British Virgin Islands/Italy                            | 33.33%                | Equity accounting            |
| Nanjing Guofa Real Estate Co., Ltd.<br>南京國發置業有限公司                                                                                    | PRC                                                     | 51%                   | Equity accounting            |
| Changsha Sand Boat Zhongmin Baihui Ole Business Management Co., Ltd.<br>長沙砂之船中閩百匯奧萊商業管理有限公司                                          | PRC                                                     | 49%                   | Equity accounting            |
| Suzhou Zhengxin Real Estate Development Co., Ltd.<br>蘇州正信置業發展有限公司                                                                    | PRC                                                     | 14.44%                | Equity accounting            |
| Guang'an Yueshang Commercial Management Co., Ltd.<br>廣安市悅尚商業管理有限公司                                                                   | PRC                                                     | 49%                   | Equity accounting            |
| Wuxi Yueshang Aolai Co., Ltd.<br>("Yueshang Aolai")<br>無錫市悅尚奧萊有限責任公司                                                                 | PRC                                                     | 50%                   | Equity accounting            |
| Shanghai Jiaming Yongshang Commercial Management Co., Ltd.<br>("Shanghai Jiaming")<br>上海佳明永尚商業管理有限公司                                 | PRC                                                     | 40%                   | Equity accounting            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 12 INVESTMENTS IN JOINT VENTURES (continued)

#### Nature of investments in material joint ventures in 2025 and 2024 (continued)

The Group has joint control of the above companies with other joint venture partners in accordance with the relevant contractual agreements which decisions about the relevant activities require the unanimous consent of the parties sharing control and accordingly these companies have been accounted for as joint ventures.

During the year ended 31 December 2025, Mingfa Technological became a wholly-owned subsidiary of the Group through a deemed acquisition. Details are disclosed in Note 36.

The Group has discontinued the recognition of its share of losses of a joint venture in Versilcraft, because the share of losses of the joint ventures exceeds the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of Versilcraft for the current year was RMB3,653,000 (2024: RMB1,300,000). The accumulated unrecognised losses of Versilcraft were RMB12,004,900 (2024: RMB8,351,900).

As at 31 December 2025 and 2024, the Group provided guarantee of the following amounts in respect of bank borrowing to joint ventures:

|                      | As at<br>31 December<br>2025<br>RMB'000 | As at<br>31 December<br>2024<br>RMB'000 |
|----------------------|-----------------------------------------|-----------------------------------------|
| Yueshang Aolai       | 15,300                                  | 37,500                                  |
| Mingfa Technological | N/A                                     | 387,100                                 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 12 INVESTMENTS IN JOINT VENTURES (continued)

### Summarised financial information for the joint ventures

Set out below are the summarised financial information for the significant joint ventures which are accounted for using the equity accounting method.

#### Summarised statement of financial position

|                                                                                                                           | Mingfa Technological<br>As at 31 December |             | Shanghai Jiaming<br>As at 31 December |           | Others<br>As at 31 December |           |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------|---------------------------------------|-----------|-----------------------------|-----------|
|                                                                                                                           | 2025                                      | 2024        | 2025                                  | 2024      | 2025                        | 2024      |
|                                                                                                                           | RMB'000                                   | RMB'000     | RMB'000                               | RMB'000   | RMB'000                     | RMB'000   |
|                                                                                                                           | (Note 36)                                 |             |                                       |           |                             |           |
| <b>Assets</b>                                                                                                             |                                           |             |                                       |           |                             |           |
| Current assets                                                                                                            | N/A                                       | 7,340,091   | 838,625                               | 880,605   | 973,833                     | 951,128   |
| Non-current assets                                                                                                        | N/A                                       | 85,545      | 66                                    | 115       | 244,688                     | 271,445   |
|                                                                                                                           | N/A                                       | 7,425,636   | 838,691                               | 880,720   | 1,218,521                   | 1,222,573 |
| <b>Liabilities</b>                                                                                                        |                                           |             |                                       |           |                             |           |
| Current liabilities                                                                                                       | N/A                                       | (2,668,526) | (97,863)                              | (139,169) | (627,330)                   | (638,880) |
| Non-current liabilities                                                                                                   | N/A                                       | (790,000)   | —                                     | —         | (50,906)                    | (95,906)  |
|                                                                                                                           | N/A                                       | (3,458,526) | (97,863)                              | (139,169) | (678,236)                   | (734,786) |
| Net assets                                                                                                                | N/A                                       | 3,967,110   | 740,828                               | 741,551   | 540,285                     | 487,787   |
| This above amounts of assets and liabilities include the following:                                                       |                                           |             |                                       |           |                             |           |
| Cash and cash equivalents included in current assets                                                                      | N/A                                       | 741         | 139,132                               | 162,641   | 344,681                     | 197,703   |
| Current financial liabilities (excluding trade and other payables and provisions) included in current liabilities         | N/A                                       | 207,207     | —                                     | —         | 6,094                       | 3,017     |
| Non-current financial liabilities (excluding trade and other payables and provisions) included in non-current liabilities | N/A                                       | 790,000     | —                                     | —         | 30,000                      | 75,000    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 12 INVESTMENTS IN JOINT VENTURES (continued)

### Summarised statement of profit or loss and other comprehensive income

|                                                             | Mingfa Technological |          | Shanghai Jiaming  |         | Others            |             |
|-------------------------------------------------------------|----------------------|----------|-------------------|---------|-------------------|-------------|
|                                                             | As at 31 December    |          | As at 31 December |         | As at 31 December |             |
|                                                             | 2025                 | 2024     | 2025              | 2024    | 2025              | 2024        |
|                                                             | RMB'000              | RMB'000  | RMB'000           | RMB'000 | RMB'000           | RMB'000     |
|                                                             | Note 36              |          |                   |         |                   |             |
| <b>Income</b>                                               | —                    | 12,644   | <b>67</b>         | 251     | <b>1,231,327</b>  | 1,218,892   |
| Expenses                                                    | (1,302)              | (23,774) | (790)             | —       | (1,190,451)       | (1,190,315) |
| (Loss)/profit after tax and total comprehensive income      | (1,302)              | (11,130) | (723)             | 251     | 40,876            | 28,577      |
| The above (loss)/profit for the year include the following: |                      |          |                   |         |                   |             |
| Depreciation and amortisation                               | —                    | (1)      | —                 | —       | (7,764)           | (1,096)     |
| Interest income                                             | —                    | 1        | —                 | —       | 3,017             | 278         |
| Interest expense                                            | —                    | (3,880)  | —                 | —       | (2,745)           | (5,277)     |
| Income tax expense                                          | —                    | —        | —                 | —       | (23,237)          | (21,767)    |

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures.

Reconciliation of summarised financial information presented to the Group's interest in joint ventures:

|                                    | Mingfa Technological |           | Shanghai Jiaming  |         | Others            |           |
|------------------------------------|----------------------|-----------|-------------------|---------|-------------------|-----------|
|                                    | As at 31 December    |           | As at 31 December |         | As at 31 December |           |
|                                    | 2025                 | 2024      | 2025              | 2024    | 2025              | 2024      |
|                                    | RMB'000              | RMB'000   | RMB'000           | RMB'000 | RMB'000           | RMB'000   |
|                                    | Note 36              |           |                   |         |                   |           |
| Opening net assets                 | 3,967,110            | 3,978,240 | 741,551           | 741,300 | 487,787           | 459,210   |
| (Loss)/profit for the year         | (1,302)              | (11,130)  | (723)             | 251     | 40,876            | 28,577    |
| Derecognition                      | (3,965,808)          | —         | —                 | —       | —                 | —         |
| Closing net assets                 | —                    | 3,967,110 | 740,828           | 741,551 | 528,663           | 487,787   |
| % of interest held                 | N/A                  | 51%       | 40%               | 40%     | 14.44–51%         | 14.44–51% |
| Group's interest in Joint ventures | N/A                  | 2,023,226 | 296,331           | 296,620 | 163,494           | 143,517   |
| Carrying amount                    | N/A                  | 2,023,226 | 296,331           | 296,620 | 163,494           | 143,517   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 13 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in PRC on leases between 40 to 70 years.

As at 31 December 2025, no completed properties held for sale were pledged as collateral for the Group's borrowings.

As at 31 December 2024, completed properties held for sale of RMB1,081,210,000 were pledged as collateral for the Group's borrowings.

As at 31 December 2025, there were provision of impairment loss amounted to RMB62,000,000 (2024: RMB83,490,000) made on completed properties held for sale.

## 14 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS

|                                                                  | As at 31 December |           |
|------------------------------------------------------------------|-------------------|-----------|
|                                                                  | 2025              | 2024      |
|                                                                  | RMB'000           | RMB'000   |
| Trade receivables                                                | 942,864           | 971,076   |
| Less: Provision for impairment of trade receivables (Note (a))   | (825,464)         | (798,944) |
| Trade receivables — net (Note (b))                               | 117,400           | 172,132   |
| Other receivables (Note (c))                                     | 1,870,819         | 1,640,849 |
| Deposits for land purchases                                      | 10,210            | 139,143   |
| Less: Provision for impairment of other receivables and deposits | (784,600)         | (774,600) |
| Other receivables and deposits — net                             | 1,096,429         | 1,005,392 |
| Prepayments for construction costs                               | 2,314,353         | 2,490,761 |
| Prepaid business tax and other levies on pre-sale proceeds       | 1,038,720         | 1,199,298 |
| Miscellaneous                                                    | 67,660            | 26,379    |
|                                                                  | 4,634,562         | 4,893,962 |
| Contract costs (Note (d))                                        | 348,324           | 327,104   |

As at 31 December 2025 and 2024, the fair values of trade receivables, deposits for land purchases, other receivables and contract costs approximate their carrying amounts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 14 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS (continued)

Notes:

- (a) Movement in provision for impairment of trade receivables is as follows:

|                                                | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------------------------------|-----------------|-----------------|
| As at 1 January                                | 798,944         | 659,615         |
| Net impairment loss recognised during the year | 26,520          | 139,329         |
| As at 31 December                              | 825,464         | 798,944         |

- (b) Trade receivables mainly arose from leases of investment properties, building management fee and receivables from hotel operation. Proceeds in respect of properties sold and leased and property construction are to be received in accordance with the terms of the related sales and purchase agreements, lease agreements and construction agreements.

The ageing analysis of trade receivables (net of impairment losses) of the Group, based on invoice dates, as of the end of the year is as follows:

|                                | As at 31 December |                 |
|--------------------------------|-------------------|-----------------|
|                                | 2025<br>RMB'000   | 2024<br>RMB'000 |
| Within 90 days                 | 3,409             | 16,074          |
| Over 90 days and within 1 year | 45,132            | 137,798         |
| Over 1 year and within 2 years | 68,859            | 18,260          |
|                                | 117,400           | 172,132         |

- (c) As at 31 December 2025, except for the amount of RMB371,868,951 (2024: RMB371,868,951) due from a third party which is secured with a personal guarantee, interest-bearing at 1.8% (2024: 1.8%) per annum and recoverable within one year, the remaining amounts comprise advances to business partners for business cooperations, general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry, the amounts are unsecured, interest-free and repayable on demand.
- (d) The amount represents commission paid to property agents in PRC in advance after entering into pre-sale agreements and receiving deposits from customers. These payments are expected to be recognised in profit or loss within twelve months from the end of the reporting period at the point in time when the properties are completed and control is transferred to customers.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 15 AMOUNTS DUE FROM RELATED PARTIES, JOINT VENTURES AND ASSOCIATED COMPANIES

|                                                                    | As at 31 December |                |
|--------------------------------------------------------------------|-------------------|----------------|
|                                                                    | 2025              | 2024           |
|                                                                    | RMB'000           | RMB'000        |
| <b>Receivables from related parties</b>                            |                   |                |
| Companies controlled by the controlling shareholders               | 3,568             | 2,925          |
| Associated companies                                               | 247,116           | 245,891        |
| Joint ventures                                                     | 347,397           | 347,338        |
| Less: Provision for impairment of receivables from related parties | (37,300)          | (28,600)       |
|                                                                    | <b>560,781</b>    | <b>567,554</b> |

Notes:

- (a) The amounts due from related parties, joint ventures and associated companies are non-trade in nature, unsecured, interest-free and repayable on demand.
- (b) The carrying amounts of amounts due from related parties, joint ventures and associated companies approximate their fair values.
- (c) As at 31 December 2025 and 2024, the ECLs of the amounts due from related parties, joint ventures and associated companies were assessed under the basis as set out in Note 3(b) and the ECLs were recognised in profit or loss.

## 16 AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS

Except for a balance of RMB102,751,000 (2024: RMB102,751,000) due from a non-controlling interest, Xian Gongheng Zhiye Co Ltd., as at 31 December 2025 which is interest bearing at 7.15% (2024: 7.15%) per annum, unsecured and repayable on demand, the remaining balances of the amounts due from non-controlling interests and the amounts due to non-controlling interests were unsecured, interest-free, repayable on demand and non-trade in nature.

The movement of ECLs of amounts due from non-controlling interest for the year ended 31 December 2025 amounted to an addition of RMB121,200,000 (2024: addition and reversal of RMB39,110,000 and RMB6,190,000 respectively), were recognised in profit or loss and were assessed under the basis as set out in Note 3(b).

## 17 CASH AND CASH EQUIVALENTS/RESTRICTED CASH

As at 31 December 2025, the Group's cash of approximately RMB1,750,000 and RMB2,000,000 (2024: RMB3,329,000 and RMB2,000,000) in certain banks was restricted mainly due to court order in the cases related to construction contracts with the suppliers and foreclosures by the proprietor claims due to default of mortgage repayment by the property purchasers respectively.

The conversion of RMB denominated balances into foreign currencies and the remittance of the foreign currencies out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 18 OTHER FINANCIAL ASSETS

|                                                            | Year ended 31 December |                 |
|------------------------------------------------------------|------------------------|-----------------|
|                                                            | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Opening balance                                            | 27,795                 | 27,550          |
| Addition                                                   | —                      | 245             |
| Ending balance                                             | 27,795                 | 27,795          |
| Less: Non-current portion                                  | (27,795)               | (27,795)        |
| Current portion                                            | —                      | —               |
|                                                            | As at 31 December      |                 |
|                                                            | 2025<br>RMB'000        | 2024<br>RMB'000 |
| <b>Equity investments measured at FVTOCI — Non-current</b> |                        |                 |
| Unlisted equity shares (Note)                              | 27,795                 | 27,795          |

*Note:* Other financial assets mainly represented unlisted equity investment of 10% in a PRC shareholding limited company engaging in micro-lending businesses and are stated at fair value. There is no significant change in fair value of the financial assets for the years ended 31 December 2025 and 2024 from the investment cost. During the years ended 31 December 2025 and 2024, no dividend was declared by this entity and was received by the Group.

The Group classifies equity securities which are held as strategic investment not for trading, and which are elected irrevocably at initial recognition to recognise as FVTOCI in this category.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 19 NON-CONTROLLING INTERESTS

### Material non-controlling interests

Among the total non-controlling interests of RMB1,109,879,000 as at 31 December 2025 (2024: RMB1,081,450,000), the significant balances mainly related to two PRC subsidiaries, which are Nanjing Mingmao Real Estate Co., Ltd (“**Nanjing Mingmao**”) and Fengxian Mingcheng Real Estate Development Co., Ltd (“**Fengxian Mingcheng**”) respectively holding an equity interest of 49% (2024: 49%) and 30% (2024: 30%) with a carrying amount of RMB101,078,000 (2024: RMB101,224,000) and RMB237,851,000 (2024: RMB244,171,000) respectively. The Group considered the other non-controlling interests as immaterial for disclosure.

Set out below is the summarised financial information for Nanjing Mingmao and Fengxian Mingcheng. The financial information represents the amounts before intra-group transactions elimination.

### Summarised statements of financial position

|                                       | Nanjing Mingmao<br>As at 31 December |             | Fengxian Mingcheng<br>As at 31 December |           |
|---------------------------------------|--------------------------------------|-------------|-----------------------------------------|-----------|
|                                       | 2025                                 | 2024        | 2025                                    | 2024      |
|                                       | RMB'000                              | RMB'000     | RMB'000                                 | RMB'000   |
| <b>Current</b>                        |                                      |             |                                         |           |
| Assets                                | <b>599,846</b>                       | 1,918,219   | <b>1,200,956</b>                        | 1,210,960 |
| Liabilities                           | <b>(399,643)</b>                     | (1,717,719) | <b>(469,447)</b>                        | (462,394) |
| Total current net assets              | <b>200,203</b>                       | 200,500     | <b>731,509</b>                          | 748,566   |
| <b>Non-current</b>                    |                                      |             |                                         |           |
| Assets                                | <b>6,079</b>                         | 6,079       | <b>61,326</b>                           | 65,337    |
| Total non-current net assets          | <b>6,079</b>                         | 6,079       | <b>61,326</b>                           | 65,337    |
| <b>Net assets</b>                     | <b>206,282</b>                       | 206,579     | <b>792,835</b>                          | 813,903   |
| Accumulated non-controlling interests | <b>101,078</b>                       | 101,224     | <b>237,851</b>                          | 244,171   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 19 NON-CONTROLLING INTERESTS (continued)

Material non-controlling interests (continued)

*Summarised statements of profit or loss and other comprehensive income*

|                                                                      | Nanjing Mingmao<br>Year ended 31 December |           | Fengxian Mingcheng<br>Year ended 31 December |          |
|----------------------------------------------------------------------|-------------------------------------------|-----------|----------------------------------------------|----------|
|                                                                      | 2025                                      | 2024      | 2025                                         | 2024     |
|                                                                      | RMB'000                                   | RMB'000   | RMB'000                                      | RMB'000  |
| <b>Revenue</b>                                                       | —                                         | —         | <b>4,349</b>                                 | 549,154  |
| (Loss)/profit before income tax                                      | <b>(297)</b>                              | (329)     | <b>(21,068)</b>                              | 52,158   |
| Income tax (expense)/credit                                          | —                                         | 1,324     | —                                            | (48,368) |
| Change in capital reserve                                            | —                                         | —         | —                                            | 25,140   |
| <b>(Loss)/profit after income tax and total comprehensive income</b> | <b>(297)</b>                              | 995       | <b>(21,068)</b>                              | 28,930   |
| Capital reduction                                                    | —                                         | (810,000) | —                                            | —        |
| Dividend paid                                                        | —                                         | (420,000) | —                                            | —        |
| (Loss)/profit allocated to non-controlling interests                 | <b>(146)</b>                              | 488       | <b>(6,320)</b>                               | 8,679    |
| Dividend paid to non-controlling interest                            | —                                         | (205,800) | —                                            | —        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 19 NON-CONTROLLING INTERESTS (continued)

### Material non-controlling interests (continued)

#### Summarised statements of cash flows

|                                                               | Nanjing Mingmao<br>Year ended 31 December |          | Fengxian Mingcheng<br>Year ended 31 December |                 |
|---------------------------------------------------------------|-------------------------------------------|----------|----------------------------------------------|-----------------|
|                                                               | 2025                                      | 2024     | 2025                                         | 2024            |
|                                                               | RMB'000                                   | RMB'000  | RMB'000                                      | RMB'000         |
| Cash flows from operating activities:                         |                                           |          |                                              |                 |
| Cash (used in)/generated from operations                      | (706)                                     | (2,192)  | (35,282)                                     | 15,753          |
| PRC income tax refunded/(paid)                                | —                                         | 2,192    | (1,056)                                      | 9,807           |
| <b>Net cash (used in)/generated from operating activities</b> | <b>(706)</b>                              | <b>—</b> | <b>(36,338)</b>                              | <b>25,560</b>   |
| <b>Net cash generated from/(used in) financing activities</b> | <b>42</b>                                 | <b>—</b> | <b>37,884</b>                                | <b>(25,413)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(664)</b>                              | <b>—</b> | <b>1,546</b>                                 | <b>147</b>      |
| Cash and cash equivalents at beginning of the year            | 1,289                                     | 1,289    | 2,471                                        | 2,324           |
| Cash and cash equivalents at end of the year                  | 625                                       | 1,289    | 4,017                                        | 2,471           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 20 SHARE CAPITAL

|                                                                   | Par value<br>HK\$ | Number of<br>ordinary shares | Nominal value<br>of ordinary<br>shares<br>HK\$ | Equivalent<br>RMB |
|-------------------------------------------------------------------|-------------------|------------------------------|------------------------------------------------|-------------------|
| Authorised:                                                       |                   |                              |                                                |                   |
| At 1 January 2024,<br>31 December 2024 and at<br>31 December 2025 | 0.1               | 12,000,000,000               | 1,200,000,000                                  |                   |
| Issued and fully paid:                                            |                   |                              |                                                |                   |
| At 1 January 2024,<br>31 December 2024 and at<br>31 December 2025 | 0.1               | 6,093,451,026                | 609,345,103                                    | 536,280,877       |

### 21 DEFERRED GOVERNMENT GRANTS

|                          | Year ended 31 December |             |
|--------------------------|------------------------|-------------|
|                          | 2025                   | 2024        |
|                          | RMB'000                | RMB'000     |
| Opening balance          | 992,344                | 1,037,802   |
| Amortisation             | (10,159)               | (45,458)    |
| Ending balance           | 982,185                | 992,344     |
|                          | As at 31 December      |             |
|                          | 2025                   | 2024        |
|                          | RMB'000                | RMB'000     |
| Representing:            |                        |             |
| Original amount          | 2,141,488              | 2,141,488   |
| Accumulated amortisation | (1,159,303)            | (1,149,144) |
| Net carrying amount      | 982,185                | 992,344     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 21 DEFERRED GOVERNMENT GRANTS (continued)

The analysis of government grants received by the Group is as follows:

|                                          | As at 31 December |           |
|------------------------------------------|-------------------|-----------|
|                                          | 2025              | 2024      |
|                                          | RMB'000           | RMB'000   |
| For the development of property projects | 2,141,488         | 2,141,488 |

## 22 BORROWINGS

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 22 BORROWINGS (continued)

#### Details on borrowings

As at 31 December 2025, all the Group's borrowings of RMB2,787,532,000 (2024: RMB2,110,728,000) were secured by its investment properties (Note 7), leasehold interests in land (Note 10), properties under development (Note 10) and completed properties held for sale (Note 13).

At the end of the reporting period, total current and non-current borrowings were scheduled to repay as follows:

|                                                   | 2025<br>RMB'000  | 2024<br>RMB'000  |
|---------------------------------------------------|------------------|------------------|
| On demand or within one year                      | 410,363          | 276,000          |
| More than one year, but not exceeding two years   | 281,629          | 428,835          |
| More than two years, but not exceeding five years | 958,440          | 449,273          |
| After five years                                  | 1,137,100        | 956,620          |
|                                                   | <b>2,787,532</b> | <b>2,110,728</b> |

The effective interest rates of the borrowings at 31 December 2025 and 2024 were as follows:

|                 | As at 31 December<br>2025 | 2024  |
|-----------------|---------------------------|-------|
| Bank borrowings | 4.7%                      | 5.20% |

The carrying amounts and fair values of non-current borrowings are as follows:

|                        | Carrying<br>amounts<br>RMB'000 | Fair values<br>RMB'000 |
|------------------------|--------------------------------|------------------------|
| As at 31 December 2025 |                                |                        |
| Bank borrowings (Note) | 2,377,169                      | 2,822,217              |
| As at 31 December 2024 |                                |                        |
| Bank borrowings (Note) | 1,834,728                      | 2,406,406              |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 22 BORROWINGS (continued)

### Details on borrowings (continued)

Note:

The fair values of non-current borrowings are based on cash flows discounted using rates based on weighted average borrowing rate of 5% as at 31 December 2025 (2024: 5.5%).

The fair values of current borrowings approximate to their carrying amounts.

## 23 CONTRACT LIABILITIES

|                                    | 31 December<br>2025<br>RMB'000 | 31 December<br>2024<br>RMB'000 |
|------------------------------------|--------------------------------|--------------------------------|
| Contract liabilities arising from: |                                |                                |
| Properties development             | 4,122,076                      | 5,580,937                      |
| Other services                     | 19,340                         | 16,343                         |
|                                    | 4,141,416                      | 5,597,280                      |

Typical payment terms which impact on the amounts of contract liabilities are as follows:

### Properties development

The Group requires deposits on certain percentage of selling price of properties sold as stated in the sales and purchase agreement before the transfer of properties.

### Other services

The Group requires deposits for the advance reservation of hotel accommodation with the remainder of the consideration at the completion of services provided.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 23 CONTRACT LIABILITIES (continued)

#### Movements in contract liabilities

|                                                                                                                                                        | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Balance as at 1 January                                                                                                                                | 5,597,280       | 8,856,897       |
| Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at beginning of year | (3,593,405)     | (8,043,630)     |
| Increase in contract liabilities as a result of receiving deposits from customers                                                                      | 2,137,541       | 4,801,720       |
| Disposal of subsidiaries                                                                                                                               | —               | (17,707)        |
| Balance at 31 December                                                                                                                                 | 4,141,416       | 5,597,280       |

RMB3,593,405,000 of the contract liabilities as of 1 January 2025 (2024: RMB8,043,630,000) has been recognised as revenue for the year ended 31 December 2025 upon the satisfaction of performance obligations.

As at 31 December 2025, the aggregated amount of the transaction price received and allocated to the remaining performance obligations not yet satisfied by the Group as at 31 December 2025 under the Group's existing contracts of sales of properties outstanding as of 31 December 2025 amounted to RMB4,141,416,000 (2024: RMB5,597,280,000). The Group will recognise the expected revenue in future based on the appropriate accounting policies as described in Note 2(r).

The Group has applied the practical expedient under HKFRS 15 to contracts in relation to hotel operation and other ancillary services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations as in general, those contracts in relation to hotel operation and other ancillary services have an original expected duration of one year or less.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 24 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred income taxes related to the same tax authority. The net deferred income tax balances after offsetting are as follows:

|                                    | <b>As at 31 December</b> |                |
|------------------------------------|--------------------------|----------------|
|                                    | <b>2025</b>              | <b>2024</b>    |
|                                    | <b>RMB'000</b>           | <b>RMB'000</b> |
| Deferred income tax assets         |                          |                |
| — to be recovered after 12 months  | <b>23,890</b>            | 80,731         |
| — to be recovered within 12 months | <b>29,453</b>            | 62,546         |
|                                    | <b>53,343</b>            | 143,277        |
| Deferred income tax liabilities    |                          |                |
| — to be settled after 12 months    | <b>(1,468,510)</b>       | (1,773,196)    |
| — to be settled within 12 months   | <b>(607,382)</b>         | (516,497)      |
|                                    | <b>(2,075,892)</b>       | (2,289,693)    |
|                                    | <b>(2,022,549)</b>       | (2,146,416)    |

The net movement on the deferred income tax assets and deferred income tax liabilities is as follows:

|                                                                   | <b>Year ended 31 December</b> |                |
|-------------------------------------------------------------------|-------------------------------|----------------|
|                                                                   | <b>2025</b>                   | <b>2024</b>    |
|                                                                   | <b>RMB'000</b>                | <b>RMB'000</b> |
| Opening balance                                                   | <b>2,146,416</b>              | 2,249,003      |
| Charged to the consolidated statement of profit or loss (Note 32) | <b>(123,867)</b>              | (102,587)      |
| Ending balance                                                    | <b>2,022,549</b>              | 2,146,416      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 24 DEFERRED INCOME TAX (continued)

#### Deferred income tax assets

Movement in deferred income tax assets and liabilities for the years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

|                                                            | Temporary<br>differences<br>on<br>recognition<br>of sales and<br>related cost<br>of sales<br>RMB'000 | Temporary<br>differences<br>on<br>recognition<br>of land<br>appreciation<br>tax<br>RMB'000 | Temporary<br>differences<br>on<br>recognition<br>of tax losses<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------|
| As at 1 January 2025                                       | 120,733                                                                                              | 6,868                                                                                      | 43,192                                                                    | 170,793          |
| Charged to the consolidated statement of<br>profit or loss | (55,385)                                                                                             | (3,778)                                                                                    | (30,850)                                                                  | (90,013)         |
| As at 31 December 2025                                     | 65,348                                                                                               | 3,090                                                                                      | 12,342                                                                    | 80,780           |
| As at 1 January 2024                                       | 305,784                                                                                              | 8,590                                                                                      | 46,353                                                                    | 360,727          |
| Charged to the consolidated statement of<br>profit or loss | (185,051)                                                                                            | (1,722)                                                                                    | (3,161)                                                                   | (189,934)        |
| As at 31 December 2024                                     | 120,733                                                                                              | 6,868                                                                                      | 43,192                                                                    | 170,793          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 24 DEFERRED INCOME TAX (continued)

### Deferred income tax liabilities

|                                                                          | Temporary<br>difference on<br>recognition of<br>fair value gains<br>of investment<br>properties<br>RMB'000 | Temporary<br>differences on<br>revaluation<br>surplus<br>RMB'000 | Temporary<br>differences on<br>recognition of<br>sales and<br>related cost of<br>sales<br>RMB'000 | Withholding<br>taxation on<br>the unremitted<br>earnings of<br>certain<br>subsidiaries<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------|
| As at 1 January 2025                                                     | (1,246,804)                                                                                                | (102,017)                                                        | (75,043)                                                                                          | (893,345)                                                                                         | (2,317,209)      |
| (Charged)/credited to the<br>consolidated statement<br>of profit or loss | 242,993                                                                                                    | —                                                                | —                                                                                                 | (29,113)                                                                                          | 213,880          |
| As at 31 December 2025                                                   | (1,003,811)                                                                                                | (102,017)                                                        | (75,043)                                                                                          | (922,458)                                                                                         | (2,103,329)      |
| As at 1 January 2024                                                     | (1,617,219)                                                                                                | (102,017)                                                        | (75,043)                                                                                          | (815,451)                                                                                         | (2,609,730)      |
| (Charged)/credited to the<br>consolidated statement<br>of profit or loss | 370,415                                                                                                    | —                                                                | —                                                                                                 | (77,894)                                                                                          | 292,521          |
| As at 31 December 2024                                                   | (1,246,804)                                                                                                | (102,017)                                                        | (75,043)                                                                                          | (893,345)                                                                                         | (2,317,209)      |

Deferred income tax arose as a result of differences in timing of recognising certain revenues and costs. This constitutes temporary differences, being the differences between the carrying amounts of the assets or liabilities in the consolidated statement of financial position and its tax bases in accordance with HKAS 12.

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB609,823,000 (2024: RMB598,999,000) as at 31 December 2025 in respect of accumulated losses amounting to RMB2,439,292,000 (2024: RMB2,395,997,000) as at 31 December 2025. Accumulated losses as at 31 December 2025 amounting to RMB2,952,477,000 (2024: RMB2,841,817,000) will expire during years from 2026 to 2030 (2024: 2025 to 2029).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 25 TRADE AND OTHER PAYABLES

|                           | As at 31 December |                   |
|---------------------------|-------------------|-------------------|
|                           | 2025              | 2024              |
|                           | RMB'000           | RMB'000           |
| Trade payables (Note (a)) | 15,670,703        | 15,215,740        |
| Other payables (Note (b)) | 7,395,847         | 7,157,066         |
| Other taxes payable       | 636,503           | 602,560           |
|                           | <b>23,703,053</b> | <b>22,975,366</b> |

Notes:

- a. The ageing analysis of trade payables, based on invoice dates, as of the end of the year is as follows:

|                                | As at 31 December |                   |
|--------------------------------|-------------------|-------------------|
|                                | 2025              | 2024              |
|                                | RMB'000           | RMB'000           |
| Within 90 days                 | 848,061           | 1,233,565         |
| Over 90 days and within 1 year | 3,627,589         | 6,357,600         |
| Over 1 year                    | 11,195,053        | 7,624,575         |
|                                | <b>15,670,703</b> | <b>15,215,740</b> |

- b. Other payables comprise:

|                                                                                  | As at 31 December |                  |
|----------------------------------------------------------------------------------|-------------------|------------------|
|                                                                                  | 2025              | 2024             |
|                                                                                  | RMB'000           | RMB'000          |
| Deposits and advances from contractors                                           | 129,408           | 87,112           |
| Deposits received from tenants of investment properties                          | 83,854            | 98,926           |
| Advances from shareholders of associated companies and joint ventures (Note (i)) | 2,194,433         | 2,218,203        |
| Advances from other parties (Note (ii))                                          | 352,900           | 362,891          |
| Consideration payable to a joint operation partner                               | 178,686           | 237,098          |
| Commission payables                                                              | 314,766           | 219,253          |
| Accrual and other payables (Note (iii))                                          | 3,808,555         | 3,549,632        |
| Provision for loss arising from financial guarantee agreements (Note (iv))       | 268,296           | 246,904          |
| Miscellaneous                                                                    | 64,949            | 137,047          |
|                                                                                  | <b>7,395,847</b>  | <b>7,157,066</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 25 TRADE AND OTHER PAYABLES (continued)

Notes: (continued)

b. Other payables comprise: (continued)

- i. As at 31 December 2025, except for advances from shareholders of associated companies and joint ventures amounted to RMB8,441,000 (2024: RMB11,027,000) in current portion which are unsecured, interest-bearing at 7% (2024: 7%) per annum and repayable on demand, the remaining balances are unsecured, interest-free and repayable on demand.

Included in the remaining balances is an advance from parent of an associated company of RMB2,185,992,000 (2024: RMB2,207,176,000) for the purpose of future capital injection to the associate company when needed.

- ii. As at 31 December 2025, the amount comprises: (a) advances from a third party amounted to RMB2,891,000 (2024: RMB2,891,000) which are unsecured, interest-bearing at rate of 12% (2024: 12%) per annum; and (b) advances from a third party amounted to RMB350,009,000 (2024: RMB360,000,000) which are guaranteed by a controlling shareholder and a wholly owned subsidiary of the Company, interest-bearing at rate of 3% (2024: 3%) per annum and repayable within one year.

- iii. The amount mainly comprises accruals of general and administrative expenses, salaries and operating expenses.

- iv. The amount mainly comprises a provision for loss arose from three financial guarantee contracts in respect of guarantee agreements entered into by a subsidiary of the Company in 2016 amounted to RMB34,990,000, RMB26,546,000 and RMB27,600,000 respectively and the respective interests accrued.

## 26 AMOUNTS DUE TO RELATED PARTIES, JOINT VENTURES AND ASSOCIATED COMPANIES

|                                                  | As at 31 December |           |
|--------------------------------------------------|-------------------|-----------|
|                                                  | 2025              | 2024      |
|                                                  | RMB'000           | RMB'000   |
| Controlling shareholder                          |                   |           |
| Ms. Chen Bihua                                   | 1,645,332         | 1,886,711 |
| Companies controlled by controlling shareholders | 31,943            | 31,903    |
| Joint ventures                                   | 175,125           | 2,922,636 |
| Associated companies                             | 475,373           | 928,273   |
|                                                  | 2,327,773         | 5,769,523 |

The amounts due to related parties, joint ventures and associated companies are non-trade in nature, unsecured, interest-free and repayable on demand.

The carrying amounts of amounts due to related parties, joint ventures and associated companies approximate their fair values.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 27 LEASE LIABILITIES

|                                           | Properties<br>RMB'000 |
|-------------------------------------------|-----------------------|
| As at 1 January 2024                      | 7,750                 |
| Interest expenses                         | 1,004                 |
| Lease payments                            | (4,186)               |
| As at 31 December 2024 and 1 January 2025 | 4,568                 |
| Interest expenses                         | <b>625</b>            |
| Lease payments                            | <b>(2,980)</b>        |
| As at 31 December 2025                    | <b>2,213</b>          |

Future lease payments are due as follows:

|                                                    | Minimum lease<br>payments<br>31 December<br>2025<br>RMB'000 | Interest<br>31 December<br>2025<br>RMB'000 | Present value<br>31 December<br>2025<br>RMB'000 |
|----------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|-------------------------------------------------|
| Not later than one year                            | 2,324                                                       | 119                                        | 2,205                                           |
| Later than one year and not later than two years   | 8                                                           | —                                          | 8                                               |
| Later than two years and not later than five years | —                                                           | —                                          | —                                               |
|                                                    | <b>2,332</b>                                                | <b>119</b>                                 | <b>2,213</b>                                    |

|                                                    | Minimum lease<br>payments<br>31 December<br>2024<br>RMB'000 | Interest<br>31 December<br>2024<br>RMB'000 | Present value<br>31 December<br>2024<br>RMB'000 |
|----------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|-------------------------------------------------|
| Not later than one year                            | 2,980                                                       | 626                                        | 2,354                                           |
| Later than one year and not later than two years   | 2,324                                                       | 118                                        | 2,206                                           |
| Later than two years and not later than five years | 8                                                           | —                                          | 8                                               |
|                                                    | <b>5,312</b>                                                | <b>744</b>                                 | <b>4,568</b>                                    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 27 LEASE LIABILITIES (continued)

The present value of future lease payments are analysed as:

|                                                          | 2025<br>RMB'000 | 2024<br>RMB'000 |
|----------------------------------------------------------|-----------------|-----------------|
| Current liabilities                                      | 2,205           | 2,354           |
| Non-current liabilities                                  | 8               | 2,214           |
|                                                          | 2,213           | 4,568           |
|                                                          | 2025<br>RMB'000 | 2024<br>RMB'000 |
| Short-term lease expense                                 | 2,746           | 2,947           |
| Aggregate undiscounted commitments for short term leases | 965             | 1,120           |

During the year ended 31 December 2025, the total cash outflow for leases amount to approximately RMB5,726,000 (2024: RMB7,133,000).

### Operating leases — lessor

The Group's investment properties are also leased to a number of tenants for varying terms. The rental income during the year ended 31 December 2025 was RMB328,926,000 (2024: RMB407,045,000).

The minimum rent receivables under non-cancellable operating leases are as follows:

|                                                      | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------------------------------------|-----------------|-----------------|
| Not later than one year                              | 169,064         | 183,369         |
| Later than one year but not later than two years     | 149,167         | 186,205         |
| Later than two years but not later than three years  | 140,822         | 179,377         |
| Later than three years but not later than four years | 139,451         | 176,456         |
| Later than four years but not later than five years  | 135,751         | 173,892         |
| Later than five years                                | 865,426         | 510,820         |
|                                                      | 1,599,681       | 1,410,119       |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 OTHER INCOME AND OTHER GAINS AND LOSSES

|                                                                                                       | Year ended 31 December |                 |
|-------------------------------------------------------------------------------------------------------|------------------------|-----------------|
|                                                                                                       | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Government grants (Note (a))                                                                          | 9                      | 1,573           |
| Net gain on disposal of equity interests of subsidiaries                                              | —                      | 25,343          |
| Net gain/(loss) from disposal of property, plant and equipment                                        | 168                    | (33,612)        |
| Net exchange gains/(loss) (Note (b))                                                                  | 12,831                 | (25,337)        |
| Gain on deemed acquisition of equity interests of a joint venture which become a subsidiary (Note 36) | 18,053                 | —               |
| Gain on transferring properties held for sale for repayment of advance (Note (c))                     | —                      | 663,968         |
| Gain/(loss) from disposal of investment properties                                                    | 144,679                | (227,881)       |
| Provision for the settlement of liabilities to a joint operation partner                              | —                      | (420,060)       |
| Provision for financial guarantee                                                                     | (21,392)               | (21,392)        |
| Miscellaneous                                                                                         | (3,323)                | 4,304           |
|                                                                                                       | 151,025                | (33,094)        |

### Notes:

- The government grants represented subsidy income received from various local government authorities by certain subsidiaries. Grants from government were recognised in profit or loss when the Group fulfilled the attached conditions.
- Exchange differences mainly arise from the amount due to the controlling shareholder and other payables, which are denominated in USD and HKD.
- During 2016 to 2019, the Group advanced an amount of RMB1.7 billion in total from a local government enterprise. The advance had not been repaid until in 2020, the Group and the local government enterprise reached a mutual agreement, pursuant to which the advance and interest payable to the local government enterprise are to be settled by transferring an office building which was under construction by the Group. Based on the mutual agreement, the amount for settling the advance and interest payable is to be determined based on the fair value of the office building with not less than 2% discount granted to the local government enterprise. All the advances and related interest have been settled during the year ended 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 29 LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting) the following:

|                                                                                                                     | Year ended 31 December |                 |
|---------------------------------------------------------------------------------------------------------------------|------------------------|-----------------|
|                                                                                                                     | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Staff costs — including directors' emoluments (Note (a))                                                            | 220,721                | 264,106         |
| Auditor's remuneration                                                                                              | 2,929                  | 3,631           |
| Depreciation of property, plant and equipment                                                                       | 140,105                | 131,018         |
| Depreciation of right-of-use assets under properties under development                                              | 47,722                 | 48,272          |
| Cost of properties sold                                                                                             | 3,014,935              | 4,744,508       |
| Business tax and other levies on sales and construction of properties (Note (b))                                    | 86,727                 | 82,863          |
| Direct outgoings arising from investment properties that generate rental income                                     | 174,464                | 178,011         |
| Short-term leases expenses                                                                                          | 2,746                  | 2,947           |
| Impairment loss on property, plant and equipment                                                                    | —                      | 84,497          |
| Provision for impairment of completed properties held for sale                                                      | 62,000                 | 83,490          |
| Hotel operating expenses                                                                                            | 238,502                | 253,369         |
| Net impairment loss on financial assets comprises:                                                                  |                        |                 |
| Net provision for impairment of trade receivables                                                                   | 26,520                 | 139,329         |
| Net provision for impairment of other receivables                                                                   | 10,000                 | 226,200         |
| Provision for/(reversal of) impairment of amounts due from related parties, joint ventures and associated companies | 8,700                  | (4,400)         |
| Net provision for impairment of amounts due from non-controlling interests                                          | 121,200                | 32,920          |
|                                                                                                                     | 166,420                | 394,049         |

Notes:

### a. Staff costs (including directors' emoluments)

|                                            | Year ended 31 December |                 |
|--------------------------------------------|------------------------|-----------------|
|                                            | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Wages and salaries                         | 197,907                | 233,774         |
| Pension costs — defined contribution plans | 18,010                 | 24,746          |
| Other allowances and benefits              | 4,804                  | 5,586           |
|                                            | 220,721                | 264,106         |

### b. Business tax and other levies on sales and construction of properties

The PRC companies of the Group are subject to business tax of 5% and other levies on their revenues from sale and construction of properties. These expenses are included in cost of sales.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 30 FINANCE INCOME AND COSTS

|                                                                         | Year ended 31 December |                 |
|-------------------------------------------------------------------------|------------------------|-----------------|
|                                                                         | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Finance income                                                          |                        |                 |
| — interest income on bank deposits                                      | 3,225                  | 8,737           |
| — Other interest income                                                 | —                      | 44,292          |
| Total finance income                                                    | 3,225                  | 53,029          |
| Finance costs                                                           |                        |                 |
| — Interest expenses on bank borrowings                                  | (134,061)              | (61,854)        |
| — Interest expenses on other borrowings and advances from other parties | (16,328)               | (16,632)        |
| — Interest expenses on lease liabilities                                | (625)                  | (1,004)         |
| Less: Interest capitalised                                              | 150,389                | 78,486          |
| Total finance costs                                                     | (625)                  | (1,004)         |
| Net finance income                                                      | 2,600                  | 52,025          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

### (a) Directors' and chief executive's emoluments

The emoluments of each executive of the Company for the year ended 31 December 2025 is set out below:

| Name                                       | Fees<br>RMB'000 | Salaries<br>RMB'000 | Employer's<br>contribution<br>to a<br>retirement<br>benefit<br>scheme<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------|-----------------|---------------------|----------------------------------------------------------------------------------|------------------|
| <b>Executive directors</b>                 |                 |                     |                                                                                  |                  |
| Mr. Zhong Xiaoming (Note a)                | —               | —                   | —                                                                                | —                |
| Mr. Ng Man Fung Walter                     | —               | 1,356               | 17                                                                               | 1,373            |
| Ms. Shang Xuan                             | —               | 581                 | 17                                                                               | 598              |
| Mr. Huang Zhibin (Note b)                  | —               | 99                  | —                                                                                | 99               |
| <b>Non-executive director</b>              |                 |                     |                                                                                  |                  |
| Dr. Lam, Lee G.                            | 879             | —                   | —                                                                                | 879              |
| Ms. Chen Bihua (Note c)                    | 74              | —                   | —                                                                                | 74               |
| <b>Independent non-executive directors</b> |                 |                     |                                                                                  |                  |
| Mr. Lau Kin Hon                            | 275             | —                   | —                                                                                | 275              |
| Mr. Chu Kin Wang Peleus                    | 275             | —                   | —                                                                                | 275              |
| Mr. Chan Sing Lai                          | 275             | —                   | —                                                                                | 275              |
|                                            | <b>1,778</b>    | <b>2,036</b>        | <b>34</b>                                                                        | <b>3,848</b>     |

Note:

- (a) Mr. Zhong Xiaoming resigned as executive director on 1 January 2025.
- (b) Mr. Huang Zhibin was appointed as executive director on 9 October 2025.
- (c) Ms. Chen Bihua was appointed as non-executive director on 9 October 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

#### (a) Directors' and chief executive's emoluments (continued)

The emoluments of each executive of the Company for the year ended 31 December 2024 is set out below:

| Name                                       | Fees<br>RMB'000 | Salaries<br>RMB'000 | Employer's<br>contribution to<br>a retirement<br>benefit scheme<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------|-----------------|---------------------|----------------------------------------------------------------------------|------------------|
| <b>Executive directors</b>                 |                 |                     |                                                                            |                  |
| Mr. Zhong Xiaoming (Note b)                | —               | 1,367               | —                                                                          | 1,367            |
| Mr. Ng Man Fung Walter                     | —               | 1,597               | 16                                                                         | 1,613            |
| Ms. Shang Xuan (Note a)                    | —               | 155                 | 4                                                                          | 159              |
| <b>Non-executive director</b>              |                 |                     |                                                                            |                  |
| Dr. Lam, Lee G.                            | 985             | —                   | —                                                                          | 985              |
| <b>Independent non-executive directors</b> |                 |                     |                                                                            |                  |
| Mr. Lau Kin Hon                            | 274             | —                   | —                                                                          | 274              |
| Mr. Chu Kin Wang Peleus                    | 274             | —                   | —                                                                          | 274              |
| Mr. Chan Sing Lai                          | 274             | —                   | —                                                                          | 274              |
|                                            | 1,807           | 3,119               | 20                                                                         | 4,946            |

Notes:

(a) Ms. Shang Xuan was appointed as executive director on 2 October 2024.

(b) Mr. Zhong Xiaoming resigned as executive director on 1 January 2025

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

### (b) Five highest paid individuals

During the year ended 31 December 2025, one (2024: two) of the five highest paid individuals are directors of the Company, whose emoluments are reflected in the analysis presented above.

The aggregate amounts of emoluments of the remaining four (2024: three) highest paid individuals for the year ended 31 December 2025 are set out below:

|                                 | Year ended 31 December |         |
|---------------------------------|------------------------|---------|
|                                 | 2025                   | 2024    |
|                                 | RMB'000                | RMB'000 |
| Basic salaries and allowance    | 6,510                  | 4,785   |
| Retirement scheme contributions | 89                     | 22      |
|                                 | 6,599                  | 4,807   |

The emoluments of all highest paid, non-director individuals for the years ended 31 December 2025 and 2024 presented fall within the range of following bands:

|                             | Number of individuals |      |
|-----------------------------|-----------------------|------|
|                             | 2025                  | 2024 |
| Emolument bands             |                       |      |
| HK\$500,001–HK\$1,000,000   | —                     | —    |
| HK\$1,000,001–HK\$1,500,000 | 2                     | 2    |
| HK\$1,500,001–HK\$2,000,000 | 1                     | —    |
| HK\$2,000,001–HK\$2,500,000 | 1                     | 1    |

- (c) During the year ended 31 December 2025, no retirement benefits operated by the Group were paid or made, directly or indirectly, to or receivable by a director in respect of his services as a director or other services in connection with the management of the affairs of the Company or its subsidiaries (2024: Nil).

During the year ended 31 December 2025, no payments or benefits in respect of termination of director's services were paid or made, directly or indirectly, to or receivable by a director; nor are any payable (2024: Nil).

During the year ended 31 December 2025, no consideration was provided to or receivable by third parties for making available director's services (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 31 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

- (d) No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the year (2024: Nil).
- (e) No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

### 32 INCOME TAX EXPENSE

|                               | Year ended 31 December |           |
|-------------------------------|------------------------|-----------|
|                               | 2025                   | 2024      |
|                               | RMB'000                | RMB'000   |
| Current income tax            |                        |           |
| — PRC enterprise income tax   | 120,999                | 495,970   |
| — PRC land appreciation tax   | 95,562                 | 270,943   |
|                               | 216,561                | 766,913   |
| Deferred income tax (note 24) |                        |           |
| — PRC enterprise income tax   | (152,980)              | (180,481) |
| — PRC withholding income tax  | 29,113                 | 77,894    |
|                               | (123,867)              | (102,587) |
|                               | 92,694                 | 664,326   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 32 INCOME TAX EXPENSE (continued)

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

### i. Reconciliation of PRC enterprise income tax

|                                                                      | Year ended 31 December |             |
|----------------------------------------------------------------------|------------------------|-------------|
|                                                                      | 2025                   | 2024        |
|                                                                      | RMB'000                | RMB'000     |
| Loss before income tax                                               | (1,106,054)            | (1,144,824) |
| PRC land appreciation tax                                            | (95,562)               | (270,943)   |
|                                                                      | (1,201,616)            | (1,415,767) |
| Calculated at PRC enterprise income tax rate of 25%                  | (300,404)              | (353,942)   |
| Effect of expenses not deductible for income tax purposes (Note (a)) | 317,395                | 646,182     |
| Income not subject to tax (Note (b))                                 | (59,796)               | (40,664)    |
| Tax losses not recognised as deferred tax assets                     | 10,824                 | 63,913      |
| PRC enterprise income tax                                            | (31,981)               | 315,489     |

Notes:

- Effect of expenses not deductible for income tax purposes mainly resulted from certain intra-group or related party transactions, donation expenses, unrealised exchange loss, ECLs, capitalised bank borrowing cost, share of losses of associates and fair value loss on investment properties.
- Income not subject to tax mainly comprises share of profits of joint ventures and unrealised exchange gain.

### ii. Total tax expense

#### Hong Kong profits tax

No provision has been made for Hong Kong profits tax as the Group has no assessable profit subject to Hong Kong profits tax for the year (2024: Nil).

Under two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 32 INCOME TAX EXPENSE (continued)

#### ii. Total tax expense (continued)

##### *PRC enterprise income tax*

PRC enterprise income tax is provided for at 25% (2024: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

##### *PRC land appreciation tax*

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

##### *PRC withholding income tax*

According to the Enterprise Income Tax Law of the PRC and its detailed implementation regulations, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their invested entities in the PRC declare their dividends out of the profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied, subject to approval of local tax authorities, when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Group accrues for the PRC withholding income tax based on the tax rate of 5% for its immediate holding companies which are established in Hong Kong.

### 33 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2025 (2024: Nil).

### 34 LOSS PER SHARE

#### **Basic and diluted**

Basic loss per share for the years ended 31 December 2025 and 2024 are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no dilutive options and other dilutive potential ordinary shares in issue during 2025 and 2024, diluted loss per share are the same as basic loss per share.

|                                                                 | Year ended 31 December |             |
|-----------------------------------------------------------------|------------------------|-------------|
|                                                                 | 2025                   | 2024        |
| Loss attributable to equity holders of the Company (RMB'000)    | (1,227,177)            | (1,791,055) |
| Weighted average number of ordinary shares in issue (thousands) | 6,093,451              | 6,093,451   |
| Basic and diluted loss per share (RMB cents)                    | (20.1)                 | (29.4)      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Particulars of the significant subsidiaries, associated companies and joint ventures of the Group as at 31 December 2025 and 2024 are as follows:

| Company name                                                                  | Date of incorporation/<br>establishment | Legal status                  | Authorised or registered capital |                   | Issued and fully paid capital |                   | Effective interest held<br>as at 31 December |      | Principal activities                        | Note |
|-------------------------------------------------------------------------------|-----------------------------------------|-------------------------------|----------------------------------|-------------------|-------------------------------|-------------------|----------------------------------------------|------|---------------------------------------------|------|
|                                                                               | 2025                                    |                               | 2024                             | 2025              | 2024                          | 2025              | 2024                                         |      |                                             |      |
|                                                                               |                                         |                               |                                  |                   |                               |                   |                                              |      |                                             |      |
| Subsidiaries — established and operating in the PRC                           |                                         |                               |                                  |                   |                               |                   |                                              |      |                                             |      |
| Mingfa Group Company Limited<br>明發集團有限公司                                      | 6 November 2001                         | Foreign investment enterprise | HK\$1,000,000,000                | HK\$1,000,000,000 | HK\$1,000,000,000             | HK\$1,000,000,000 | 100%                                         | 100% | Property development and investment holding |      |
| Xiamen Mingfa Group Co., Ltd.<br>廈門明發集團有限公司                                   | 7 January 1998                          | Domestic enterprise           | RMB200,000,000                   | RMB200,000,000    | RMB200,000,000                | RMB200,000,000    | 100%                                         | 100% | Property development and investment holding |      |
| Mingfa Group (Zhangzhou) Real Estate Co., Ltd.<br>明發集團(漳州)房地產開發有限公司           | 13 February 2007                        | Sino-foreign joint venture    | HK\$230,000,000                  | HK\$230,000,000   | HK\$230,000,000               | HK\$230,000,000   | 100%                                         | 100% | Property development and investment holding |      |
| Mingfa Group Wuxi Real Estate Exploiture Co., Ltd.<br>明發集團無錫房地產開發有限公司         | 12 December 2003                        | Sino-foreign joint venture    | RMB30,000,000                    | RMB30,000,000     | RMB30,000,000                 | RMB30,000,000     | 100%                                         | 100% | Property development and investment holding |      |
| Mingfa Group Yangzhou Real Estate Co., Ltd.<br>明發集團揚州房地產開發有限公司                | 18 October 2006                         | Sino-foreign joint venture    | US\$10,000,000                   | US\$10,000,000    | US\$10,000,000                | US\$10,000,000    | 100%                                         | 100% | Property development and investment holding |      |
| Mingfa Group (Hefei) Real Estate Co., Ltd.<br>明發集團(合肥)房地產開發有限公司               | 1 November 2005                         | Sino-foreign joint venture    | US\$2,000,000                    | US\$2,000,000     | US\$2,000,000                 | US\$2,000,000     | 100%                                         | 100% | Property development and investment holding |      |
| Mingfa Group Nanjing Real Estate Co., Ltd.<br>明發集團南京房地產開發有限公司                 | 12 July 2002                            | Sino-foreign joint venture    | US\$1,260,000,000                | US\$1,260,000,000 | US\$60,000,000                | US\$ 60,000,000   | 100%                                         | 100% | Property development and investment holding |      |
| Nanjing Pearl Spring Mingfa Holiday Village Hotel Co., Ltd.<br>南京明發珍珠泉大酒店有限公司 | 15 September 2004                       | Sino-foreign joint venture    | US\$120,578,000                  | US\$120,578,000   | US\$19,804,000                | US\$19,804,000    | 100%                                         | 100% | Hotel operation                             |      |
| Xiamen Mingfa Hotel Co., Ltd.<br>廈門明發大酒店有限公司                                  | 14 December 1999                        | Domestic enterprise           | RMB65,100,000                    | RMB65,100,000     | RMB1,680,000                  | RMB65,000,000     | 100%                                         | 100% | Property investment and investment holding  |      |
| Xiamen Mingfa Real Estate Development Co., Ltd.<br>廈門明發房地產開發有限公司              | 21 October 1994                         | Foreign investment enterprise | RMB1,680,000                     | RMB1,680,000      | HK\$10,000,000                | RMB1,680,000      | 100%                                         | 100% | Property development and investment holding |      |
| Xiamen Ming Sheng Investment Management Co., Ltd.<br>明勝世家(廈門)物業管理有限公司         | 18 April 2006                           | Sino-foreign joint venture    | HK\$10,000,000                   | HK\$10,000,000    | RMB65,000,000                 | HK\$10,000,000    | 51%                                          | 51%  | Property management                         |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                       | Date of incorporation/<br>establishment | Legal status                  | Authorised or registered capital |                | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |      | Principal activities                           | Note |
|--------------------------------------------------------------------|-----------------------------------------|-------------------------------|----------------------------------|----------------|-------------------------------|----------------|----------------------------------------------|------|------------------------------------------------|------|
|                                                                    | 2025                                    |                               | 2024                             | 2025           | 2024                          | 2025           | 2024                                         |      |                                                |      |
|                                                                    |                                         |                               |                                  |                |                               |                |                                              |      |                                                |      |
| Subsidiaries — established and operating in the PRC (continued)    |                                         |                               |                                  |                |                               |                |                                              |      |                                                |      |
| Xiamen Mingfa Furniture Co., Ltd.<br>廈門明發傢俱工業有限公司                  | 5 September 1994                        | Sino-foreign joint venture    | RMB80,000,000                    | RMB8,880,000   | RMB80,000,000                 | RMB38,000,000  | 100%                                         | 100% | Furniture manufacturing and investment holding |      |
| Nan'an Hengxin Real Estate Development Co., Ltd.<br>南安市恒信房地產開發有限公司 | 28 November 2006                        | Domestic enterprise           | RMB204,080,000                   | RMB80,000,000  | RMB8,000,000                  | RMB80,000,000  | 100%                                         | 100% | Property development                           |      |
| Mingfa Group Shanghai Industry Co., Ltd.<br>明發集團上海實業有限公司           | 10 January 2007                         | Domestic enterprise           | US\$23,500,000                   | RMB204,080,000 | RMB100,000,000                | RMB100,000,000 | 100%                                         | 100% | Property development                           |      |
| Nanjing Mingfa Xinhewan Hotel Co., Ltd.<br>南京明發新河灣大酒店有限公司          | 17 December 2007                        | Foreign investment enterprise | RMB30,000,000                    | US\$23,500,000 | US\$23,500,000                | US\$23,500,000 | 100%                                         | 100% | Hotel operation                                |      |
| Leun Fung (Xiamen) Furniture City Co., Ltd.<br>聯豐(廈門)傢俱城有限公司       | 15 September 1993                       | Sino-foreign joint venture    | RMB8,880,000                     | RMB30,000,000  | RMB30,080,000                 | RMB30,000,000  | 100%                                         | 100% | Property investment and investment holding     |      |
| Nan'an Honglai Town Construction Co., Ltd.<br>南安市洪瀨鎮鎮區建設有限公司       | 18 October 1999                         | Domestic enterprise           | RMB2,380,000                     | RMB2,380,000   | RMB30,000,000                 | RMB30,080,000  | 100%                                         | 100% | Property development                           |      |
| Quanzhou Mingfa Hotel Co., Ltd.<br>泉州明發大酒店有限公司                     | 25 August 1998                          | Sino-foreign joint venture    | RMB160,000,000                   | RMB160,000,000 | RMB160,000,000                | RMB160,000,000 | 100%                                         | 100% | Hotel operation and investment holding         |      |
| Mingfa Group (Huai'an) Real Estate Co., Ltd.<br>淮安明發房地產開發有限公司      | 28 January 2008                         | Domestic enterprise           | RMB50,505,050                    | RMB50,505,050  | RMB50,505,050                 | RMB50,505,050  | 100%                                         | 100% | Property development                           |      |
| Xiamen Jianqin Real Estate Development Co., Ltd.<br>廈門建勤房地產開發有限公司  | 16 May 2002                             | Foreign investment enterprise | HK\$8,000,000                    | HK\$8,000,000  | HK\$8,000,000                 | HK\$8,000,000  | 100%                                         | 100% | Property development                           |      |
| Xiamen Rui Feng Electronics Technology Co. Ltd.<br>廈門瑞豐光電科技有限公司    | 16 December 2004                        | Foreign investment enterprise | HK\$810,000,000                  | HK\$10,000,000 | HK\$810,000,000               | HK\$10,000,000 | 100%                                         | 100% | Property development and investment holding    |      |
| Wuxi Mingwah Property Development Co., Ltd.<br>無錫明華房地產開發有限公司       | 12 December 2006                        | Foreign investment            | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development and investment holding    |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                    | Date of<br>incorporation/<br>establishment | Legal status                  | Authorised or registered capital |                  | Issued and fully paid capital |                  | Effective interest held<br>as at 31 December |      | Principal activities                        | Note |
|---------------------------------------------------------------------------------|--------------------------------------------|-------------------------------|----------------------------------|------------------|-------------------------------|------------------|----------------------------------------------|------|---------------------------------------------|------|
|                                                                                 |                                            |                               | 2025                             | 2024             | 2025                          | 2024             | 2025                                         | 2024 |                                             |      |
|                                                                                 |                                            |                               |                                  |                  |                               |                  |                                              |      |                                             |      |
| Subsidiaries — established and operating in the PRC (continued)                 |                                            |                               |                                  |                  |                               |                  |                                              |      |                                             |      |
| Mingfa Group Beijing Real Estate Co., Ltd.<br>明發集團北京房地產開發有限公司                   | 22 October 2009                            | Domestic enterprise           | RMB1,010,000,000                 | RMB1,010,000,000 | RMB1,000,000,000              | RMB1,000,000,000 | 100%                                         | 100% | Property development and investment holding |      |
| Zhenjiang Hanxiang Real Estate Co., Ltd.<br>鎮江漢翔房地產有限公司                         | 16 March 2005                              | Foreign investment enterprise | US\$33,000,000                   | US\$33,000,000   | US\$33,000,000                | US\$33,000,000   | 100%                                         | 100% | Property development and investment holding |      |
| Mingfa Xinyue (Shenyang) Real Estate Co., Ltd.<br>明發星悅(瀋陽)房地產開發有限公司             | 24 March 2010                              | Foreign investment enterprise | US\$30,000,000                   | US\$30,000,000   | US\$30,000,000                | US\$30,000,000   | 100%                                         | 100% | Property development                        |      |
| Horgos Zhenxinhua Consulting Co., Ltd.<br>霍爾果斯振鑫華諮詢服務有限公司                       | 4 August 2017                              | Domestic enterprise           | RMB10,000,000                    | RMB10,000,000    | RMB10,000,000                 | RMB10,000,000    | 100%                                         | 100% | Consultant service                          |      |
| Mingfa Shuiyun (Shenyang) Real Estate Co., Ltd.<br>明發水韵(瀋陽)房地產開發有限公司            | 24 March 2010                              | Foreign investment enterprise | US\$2,000,000                    | US\$2,000,000    | US\$2,000,000                 | US\$2,000,000    | 100%                                         | 100% | Property development                        |      |
| Ming Sheng (Hefei) Property Management Co., Ltd.<br>明勝(合肥)物業服務經營管理有限公司          | 2 June 2010                                | Foreign investment enterprise | HK\$5,000,000                    | HK\$5,000,000    | HK\$5,000,000                 | HK\$5,000,000    | 100%                                         | 100% | Property management                         |      |
| Ming Sheng (Yangzhou) Property Management Co., Ltd.<br>明勝(揚州)商業管理有限公司           | 26 April 2010                              | Foreign investment enterprise | HK\$4,930,000                    | HK\$4,930,000    | HK\$4,930,000                 | HK\$4,930,000    | 100%                                         | 100% | Property management                         |      |
| Ming Sheng (Wuxi) Property Management Co., Ltd.<br>明勝(無錫)物業經營管理有限公司             | 15 July 2010                               | Foreign investment enterprise | HK\$5,000,000                    | HK\$5,000,000    | HK\$5,000,000                 | HK\$5,000,000    | 100%                                         | 100% | Property management                         |      |
| Mingsheng (Zhangzhou) Property Management Service Co., Ltd.<br>明勝(漳州)物業經營服務有限公司 | 21 May 2010                                | Foreign investment enterprise | RMB5,000,000                     | RMB5,000,000     | RMB5,000,000                  | RMB5,000,000     | 100%                                         | 100% | Property management                         |      |
| Mingfa (Huizhou) Real Estate Co., Ltd.<br>明發(惠州)房地產開發有限公司                       | 9 November 1991                            | Foreign investment enterprise | US\$27,760,000                   | US\$27,760,000   | US\$27,760,000                | US\$27,760,000   | 80%                                          | 80%  | Property development                        |      |
| Yangzhou Mingfa Hotel Co., Ltd.<br>揚州明發大酒店有限公司                                  | 18 July 2011                               | Foreign investment enterprise | US\$19,480,000                   | US\$19,480,000   | US\$19,480,000                | US\$19,480,000   | 100%                                         | 100% | Hotel operation                             |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                                      | Date of<br>incorporation/<br>establishment | Legal status                  | Authorised or registered capital |                 | Issued and fully paid capital |                 | Effective interest held<br>as at 31 December |      | Principal activities                        | Note |
|---------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------|----------------------------------|-----------------|-------------------------------|-----------------|----------------------------------------------|------|---------------------------------------------|------|
|                                                                                                   | 2025                                       |                               | 2024                             | 2025            | 2024                          | 2025            | 2024                                         |      |                                             |      |
|                                                                                                   |                                            |                               |                                  |                 |                               |                 |                                              |      |                                             |      |
| Subsidiaries — established and operating in the PRC (continued)                                   |                                            |                               |                                  |                 |                               |                 |                                              |      |                                             |      |
| Mingfa Group Taizhou Real Estate Co., Ltd.<br>明發集團泰州房地產開發有限公司                                     | 11 August 2011                             | Foreign investment enterprise | US\$9,500,000                    | US\$9,500,000   | US\$9,500,000                 | US\$9,500,000   | 100%                                         | 100% | Property development and investment holding |      |
| Mingfa Group (Tianjin Binhai New Area) Real Estate Development Co., Ltd.<br>明發集團(天津濱海新區)房地產開發有限公司 | 8 September 2011                           | Foreign investment enterprise | US\$30,000,000                   | US\$30,000,000  | US\$30,000,000                | US\$30,000,000  | 100%                                         | 100% | Property development and investment holding |      |
| Nanan Mingfa Real Estate Development Co., Ltd<br>南安明發房地產開發有限公司                                    | 12 October 2019                            | Domestic enterprise           | RMB123,270,000                   | RMB123,270,000  | RMB123,270,000                | RMB72,770,000   | 100%                                         | 100% | Property development                        |      |
| Huai'an Mingfa International Hotel Co., Ltd.<br>淮安明發國際大酒店有限公司                                     | 16 November 2011                           | Foreign investment enterprise | US\$26,419,865                   | US\$26,419,865  | US\$26,419,865                | US\$26,419,865  | 100%                                         | 100% | Hotel operation                             |      |
| Mingfa (Longhai) Real Estate Company Limited<br>明發(龍海)房地產開發有限公司                                   | 24 February 2012                           | Foreign investment enterprise | HK\$66,666,700                   | HK\$66,666,700  | HK\$66,666,700                | HK\$66,666,700  | 100%                                         | 100% | Property development                        |      |
| Mingfa Group (Shenzhen) Real Estate Company Limited<br>明發集團(深圳)房地產開發有限公司                          | 21 May 2012                                | Domestic enterprise           | RMB10,101,000                    | RMB10,101,000   | RMB10,000,000                 | RMB10,000,000   | 100%                                         | 100% | Property development                        |      |
| Lanzhou Mingfa Zhongke Real Estate Co., Ltd.<br>蘭州明發中科房地產開發有限公司                                   | 15 March 2011                              | Sino-foreign joint venture    | RMB20,000,000                    | RMB20,000,000   | RMB20,000,000                 | RMB20,000,000   | 51%                                          | 51%  | Property development                        |      |
| Quanzhou Mingfa Commercial City Development and Construction Co., Ltd.<br>泉州明發商業城開發建設有限公司         | 12 March 2010                              | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000   | —                             | —               | 100%                                         | 100% | Property development                        |      |
| Mingfa (China) Investments Company Limited<br>明發(中國)投資有限公司                                        | 23 October 2012                            | Foreign investment enterprise | US\$150,000,000                  | US\$150,000,000 | US\$120,000,000               | US\$120,000,000 | 100%                                         | 100% | Investment holding                          |      |
| Nanjing Mingfa New Town Real Estate Company Limited<br>南京明發新城置業有限公司                               | 24 December 2012                           | Domestic enterprise           | RMB10,000,000                    | RMB10,000,000   | —                             | —               | 100%                                         | 100% | Property development                        |      |
| Mingfa Shanghe (Shenyang) Real Estate Co., Ltd.<br>明發上河(瀋陽)房地產開發有限公司                              | 21 March 2013                              | Domestic enterprise           | RMB10,100,000                    | RMB10,100,000   | RMB10,100,000                 | RMB10,100,000   | 100%                                         | 100% | Property development                        |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                                                | Date of<br>incorporation/<br>establishment | Legal status                     | Authorised or registered capital |                 | Issued and fully paid capital |                 | Effective interest held<br>as at 31 December |       | Principal activities | Note |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------|----------------------------------|-----------------|-------------------------------|-----------------|----------------------------------------------|-------|----------------------|------|
|                                                                                                             | 2025                                       |                                  | 2024                             | 2025            | 2024                          | 2025            | 2024                                         |       |                      |      |
|                                                                                                             |                                            |                                  |                                  |                 |                               |                 |                                              |       |                      |      |
| Subsidiaries — established and operating in the PRC (continued)                                             |                                            |                                  |                                  |                 |                               |                 |                                              |       |                      |      |
| Mingfa Group Lianyungang Real Estate Development Co., Ltd.<br>明發集團連雲港房地產開發有限公司                              | 1 November 2017                            | Domestic enterprise              | RMB20,000,000                    | RMB20,000,000   | RMB20,000,000                 | RMB20,000,000   | 100%                                         | 100%  | Property development |      |
| Mingfa Group Suqian Real Estate Development Co., Ltd.<br>明發集團宿遷房地產開發有限公司                                    | 26 September 2017                          | Domestic enterprise              | RMB20,000,000                    | RMB20,000,000   | —                             | —               | 70%                                          | 70%   | Property development |      |
| Chuzhou Mingsheng City Development Co., Ltd<br>滁州明盛城市開發有限公司                                                 | 4 September 2019                           | Domestic enterprise              | RMB20,000,000                    | RMB20,000,000   | —                             | —               | 100%                                         | 100%  | Property development |      |
| Ping Liang Shi Ding Sheng Real Estate Co., Ltd<br>平涼市鼎盛置業投資有限公司                                             | 20 April 2007                              | Domestic enterprise              | RMB20,000,000                    | RMB20,000,000   | RMB20,000,000                 | RMB20,000,000   | 60%                                          | 60%   | Property development |      |
| Mingfa Group Nanjing Pukou Real Estate Co., Ltd.<br>明發集團南京浦口房地產開發有限公司                                       | 25 November 2013                           | Domestic enterprise              | RMB20,000,000                    | RMB20,000,000   | —                             | —               | 100%                                         | 100%  | Property development |      |
| Mingfa Group (Ma An Shan) Industrial Co., Ltd.<br>明發集團(馬鞍山)實業有限公司                                           | 20 November 2013                           | Foreign investment<br>enterprise | US\$10,000,000                   | US\$10,000,000  | US\$10,000,000                | US\$10,000,000  | 100%                                         | 100%  | Property development |      |
| Mingfa Group (Zi Bo) Real Estate Co., Ltd.<br>明發集團(濰博)房地產開發有限公司                                             | 22 August 2013                             | Domestic enterprise              | RMB20,200,000                    | RMB20,200,000   | RMB20,000,000                 | RMB20,000,000   | 100%                                         | 100%  | Property development |      |
| Nanjing Mingfa Technological and Commercial Town<br>Construction Development Co., Ltd.<br>南京明發科技商務城建設發展有限公司 | 9 September 2005                           | Sino-foreign joint<br>venture    | US\$448,980,000                  | US\$448,980,000 | US\$448,079,550               | US\$448,079,550 | 100%                                         | 51%   | Property development | (b)  |
| Nanjing Chunhe Electronic Co., Ltd.<br>南京春和電子有限公司                                                           | 11 April 2007                              | Domestic enterprise              | RMB18,000,000                    | RMB18,000,000   | RMB18,000,000                 | RMB18,000,000   | 100%                                         | 28.3% | Property development | (b)  |
| Nanjing Lichang Light and Electronic Technology<br>Co., Ltd.<br>南京立昌光電科技有限公司                                | 10 April 2007                              | Domestic enterprise              | RMB20,000,000                    | RMB20,000,000   | RMB20,000,000                 | RMB20,000,000   | 100%                                         | 30.6% | Property development | (b)  |
| Nanjing Lianchang Engineering Co., Ltd.<br>南京聯昌機電有限公司                                                       | 13 April 2007                              | Domestic enterprise              | RMB15,000,000                    | RMB15,000,000   | RMB15,000,000                 | RMB15,000,000   | 100%                                         | 51%   | Property development | (b)  |
| Nanjing Mingfa High District Property Co., Ltd.<br>南京明發高區置業有限公司                                             | 17 June 2013                               | Domestic enterprise              | RMB122,610,000                   | RMB122,610,000  | RMB122,610,000                | RMB122,610,000  | 100%                                         | 51%   | Property development | (b)  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                             | Date of incorporation/<br>establishment | Legal status               | Authorised or registered capital |                | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |      | Principal activities                        | Note |
|--------------------------------------------------------------------------|-----------------------------------------|----------------------------|----------------------------------|----------------|-------------------------------|----------------|----------------------------------------------|------|---------------------------------------------|------|
|                                                                          |                                         |                            | 2025                             | 2024           | 2025                          | 2024           | 2025                                         | 2024 |                                             |      |
|                                                                          |                                         |                            |                                  |                |                               |                |                                              |      |                                             |      |
| Subsidiaries — established and operating in the PRC (continued)          |                                         |                            |                                  |                |                               |                |                                              |      |                                             |      |
| Mingsheng (Quanzhou) Property Management Co., Ltd.<br>明勝(泉州)物業管理有限公司     | 18 October 2011                         | Sino-foreign joint venture | RMB50,000,000                    | RMB5,000,000   | RMB5,000,000                  | RMB5,000,000   | 100%                                         | 100% | Property management                         |      |
| Nanjing Mingmao Real Estate Co., Ltd.<br>南京明茂置業有限公司                      | 05 February 2015                        | Domestic enterprise        | RMB10,000,000                    | RMB10,000,000  | —                             | —              | 51%                                          | 51%  | Property development                        |      |
| Nanjing Mingfa PuTai Real Estate Co., Ltd.<br>南京明發浦泰置業有限公司               | 16 March 2015                           | Domestic enterprise        | RMB1,010,000                     | RMB1,010,000   | —                             | —              | 100%                                         | 100% | Property development                        |      |
| Zhangzhou Mingfa Wyndham Hotel Co., Ltd<br>漳州明發溫德姆酒店有限公司                 | 7 August 2014                           | Domestic enterprise        | RMB30,300,000                    | RMB30,300,000  | RMB30,000,000                 | RMB30,000,000  | 100%                                         | 100% | Hotel operation                             |      |
| Hefei Mingfa International Hotel Co., Ltd<br>合肥明發國際大酒店有限公司               | 3 January 2014                          | Domestic enterprise        | RMB10,000,000                    | RMB10,000,000  | —                             | —              | 100%                                         | 100% | Hotel operation                             |      |
| Mingfa Group Guang'an Real Estate Co., Ltd<br>明發集團廣安房地產開發有限公司            | 17 March 2014                           | Domestic enterprise        | RMB122,448,980                   | RMB122,448,980 | RMB20,000,000                 | RMB122,448,980 | 100%                                         | 100% | Property development                        |      |
| Mingfa Group Nanjing Ruiye Real Estate Co., Ltd<br>明發集團南京瑞業房地產開發有限公司     | 28 May 2013                             | Domestic enterprise        | RMB20,000,000                    | RMB20,000,000  | USD7,799,948                  | RMB20,000,000  | 40%                                          | 40%  | Property development                        | (a)  |
| Mingfa Group Anhui Jinzhai City Development Co., Ltd<br>明發集團安徽金寨城市開發有限公司 | 9 December 2014                         | Domestic enterprise        | RMB10,000,000                    | RMB10,000,000  | —                             | —              | 50%                                          | 100% | Property development and investment holding |      |
| Nanjing Mingfa Golf Club Co., Ltd.<br>南京明發高爾夫球俱樂部有限公司                    | 23 May 1992                             | Sino-foreign enterprise    | US\$30,800,000                   | US\$30,800,000 | US\$7,799,948                 | US\$7,799,948  | 50%                                          | 50%  | Sport                                       | (a)  |
| Dongzhi Mingfa Group International Hotel Co., Ltd<br>東至明發國際大酒店有限公司       | 28 May 2019                             | Domestic enterprise        | RMB5,000,000                     | RMB5,000,000   | RMB50,000,000                 | —              | 100%                                         | 100% | Hotel operation                             |      |
| Xiamen Zhong Ao Cheng Property Co., Ltd.<br>廈門中澳城置業有限公司                  | 16 June 2014                            | Domestic enterprise        | RMB50,000,000                    | RMB50,000,000  | RMB122,448,980                | RMB50,000,000  | 51%                                          | 51%  | Property development                        |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                            | Date of incorporation/<br>establishment | Legal status               | Authorised or registered capital |                  | Issued and fully paid capital |                  | Effective interest held<br>as at 31 December |      | Principal activities                        | Note |
|-----------------------------------------------------------------------------------------|-----------------------------------------|----------------------------|----------------------------------|------------------|-------------------------------|------------------|----------------------------------------------|------|---------------------------------------------|------|
|                                                                                         | 2025                                    |                            | 2024                             | 2025             | 2024                          | 2025             | 2024                                         |      |                                             |      |
|                                                                                         |                                         |                            |                                  |                  |                               |                  |                                              |      |                                             |      |
| Subsidiaries — established and operating in the PRC (continued)                         |                                         |                            |                                  |                  |                               |                  |                                              |      |                                             |      |
| Nanjing Mingfa Technology Investment Development Co., Ltd.<br>南京明發科技投資發展有限公司            | 18 June 2012                            | Domestic enterprise        | RMB1,000,000,000                 | RMB1,000,000,000 | RMB1,000,000,000              | RMB1,000,000,000 | 100%                                         | 100% | Property development                        |      |
| Mingfa Group Nanjing Digital Valley Information Technology Co., Ltd<br>明發集團南京數谷信息科技有限公司 | 17 July 2003                            | Domestic enterprise        | RMB20,202,000                    | RMB20,202,000    | RMB20,000,000                 | RMB20,000,000    | 100%                                         | 100% | Trading of construction materials           |      |
| Xiamen Hongyuan Gaotai Trade Co., Ltd.<br>廈門弘源高泰貿易有限公司                                  | 20 December 2016                        | Domestic enterprise        | RMB30,000,000                    | RMB30,000,000    | RMB30,000,000                 | RMB30,000,000    | 100%                                         | 100% | Trading of construction materials           |      |
| Mingfa Group Nanjing Xiang Ye Real Estate Co., Ltd.<br>明發集團南京祥業房地產開發有限公司                | 3 June 2016                             | Domestic enterprise        | RMB20,000,000                    | RMB20,000,000    | RMB20,000,000                 | RMB20,000,000    | 100%                                         | 100% | Property development                        |      |
| Nanjing Mingfa Business Management Co., Ltd.<br>南京明發商業管理有限公司                            | 1 June 2016                             | Sino-foreign joint venture | RMB675,030,000                   | RMB675,030,000   | RMB675,030,000                | RMB675,030,000   | 80%                                          | 80%  | Hotel operation                             |      |
| Mingfa Group (Ma On Shan) Environmental Construction Co., Ltd.<br>明發集團 (馬鞍山) 環境建設有限公司   | 24 October 2016                         | Domestic enterprise        | US\$3,000,000                    | US\$3,000,000    | —                             | —                | 100%                                         | 100% | Property development                        |      |
| Jurong Minke Real Estate Development Co., Ltd<br>句容興科房地產開發有限公司                          | 22 June 2017                            | Domestic enterprise        | RMB7,830,000                     | RMB7,830,000     | —                             | —                | 100%                                         | 100% | Property development                        |      |
| Quanjiao Mingfa Industrial Co., Ltd.<br>全椒明發實業有限公司                                      | 8 October 2016                          | Domestic enterprise        | RMB40,000,000                    | RMB40,000,000    | RMB100,000,000                | RMB100,000,000   | 100%                                         | 100% | Property development                        |      |
| He Xian Mingfa Jiangwan Hotel Co., Ltd<br>和縣明發江灣大酒店有限公司                                 | 4 May 2016                              | Domestic enterprise        | RMB50,500,000                    | RMB50,500,000    | RMB50,500,000                 | RMB50,500,000    | 100%                                         | 100% | Property development and investment holding |      |
| Jinzhai Grand Hotel Co., Ltd.<br>金寨大飯店有限公司                                              | 1 December 2016                         | Domestic enterprise        | RMB21,010,000                    | RMB21,010,000    | —                             | —                | 100%                                         | 100% | Property development                        |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                | Date of<br>incorporation/<br>establishment | Legal status                  | Authorised or registered capital |                | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |      | Principal activities              | Note |
|-----------------------------------------------------------------------------|--------------------------------------------|-------------------------------|----------------------------------|----------------|-------------------------------|----------------|----------------------------------------------|------|-----------------------------------|------|
|                                                                             | 2025                                       |                               | 2024                             | 2025           | 2024                          | 2025           | 2024                                         |      |                                   |      |
|                                                                             |                                            |                               |                                  |                |                               |                |                                              |      |                                   |      |
| Subsidiaries — established and operating in the PRC (continued)             |                                            |                               |                                  |                |                               |                |                                              |      |                                   |      |
| Mingfa Group Qingyang City Development Co., Ltd.<br>明發集團青陽城市開發有限公司          | 22 July 2019                               | Domestic enterprise           | RMB202,020,200                   | RMB202,020,200 | —                             | —              | 100%                                         | 100% | Property development              |      |
| Mingfa Group (Xinyi) Real Estate Development Co., Ltd.<br>明發集團(新沂)房地產開發有限公司 | 17 June 2019                               | Domestic enterprise           | US\$20,000,000                   | US\$20,000,000 | US\$20,000,000                | US\$20,000,000 | 100%                                         | 100% | Property development              |      |
| Fengxian Mingcheng Real Estate Development Co., Ltd.<br>豐縣明城房地產開發有限公司       | 17 July 2018                               | Domestic enterprise           | RMB50,000,000                    | RMB50,000,000  | —                             | —              | 70%                                          | 70%  | Property development              |      |
| Chendu Mingfa Commercial Town Construction Co., Ltd.<br>成都明發商務城建設有限公司       | 28 January 2016                            | Domestic enterprise           | RMB33,000,000                    | RMB33,000,000  | RMB33,000,000                 | RMB33,000,000  | 100%                                         | 100% | Property development              |      |
| Xiamen Hongsheng Tianwei Real Estate Co., Ltd.<br>廈門弘盛天威置業有限公司              | 27 October 2017                            | Domestic enterprise           | RMB2,000,000                     | RMB2,000,000   | —                             | —              | 100%                                         | 100% | Trading of construction materials |      |
| Lai'an Mingfa Pu Tai Real Estate Co., Ltd.<br>來安明發浦泰置業有限公司                  | 15 November 2016                           | Domestic enterprise           | RMB20,200,000                    | RMB20,200,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development              |      |
| Mingfa (Zhangpu) Real Estate Development Co., Ltd.<br>明發(漳浦)房地產開發有限公司       | 16 June 2017                               | Foreign investment enterprise | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 51%                                          | 51%  | Property development              |      |
| Ma An Shan Tian Mu Spa Travel Investments Co., Ltd.<br>馬鞍山天沐溫泉旅遊投資有限公司      | 20 October 2011                            | Foreign investment enterprise | RMB30,300,000                    | RMB30,300,000  | RMB30,300,000                 | RMB30,300,000  | 100%                                         | 100% | Property development              |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                        | Date of incorporation/<br>establishment | Legal status                     | Authorised or registered capital |                  | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |      | Principal activities | Note |
|-------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|----------------------------------|------------------|-------------------------------|----------------|----------------------------------------------|------|----------------------|------|
|                                                                                     |                                         |                                  | 2025                             | 2024             | 2025                          | 2024           | 2025                                         | 2024 |                      |      |
|                                                                                     |                                         |                                  |                                  |                  |                               |                |                                              |      |                      |      |
| Subsidiaries — established and operating in the PRC (continued)                     |                                         |                                  |                                  |                  |                               |                |                                              |      |                      |      |
| Ma An Shan Tian Mu Property Co., Ltd<br>馬鞍山天沐置業有限公司                                 | 7 May 2010                              | Domestic enterprise              | RMB50,500,000                    | RMB50,500,000    | RMB50,500,000                 | RMB50,500,000  | 100%                                         | 100% | Property development |      |
| Mingfa Group Sihong Real Estate Co., Ltd<br>明發集團泗洪房地產開發有限公司                         | 24 July 2017                            | Sino-foreign joint<br>venture    | USD1,000,000                     | USD1,000,000     | USD1,000,000                  | USD1,000,000   | 100%                                         | 100% | Property development |      |
| Dingyuan Mingfa Real Estate Co., Ltd.<br>定遠明發置業有限公司                                 | 1 March 2019                            | Domestic enterprise              | RMB404,040,000                   | RMB404,040,000   | RMB404,040,000                | RMB404,040,000 | 100%                                         | 100% | Property development |      |
| Mingfa Group Jiangsu Big Data Industry<br>Development Co., Ltd<br>明發集團江蘇大數據產業發展有限公司 | 4 April 2019                            | Domestic enterprise              | RMB100,000,000                   | RMB100,000,000   | RMB65,200,000                 | RMB65,200,000  | 60%                                          | 60%  | Property development |      |
| Horgos Jianjixin Consulting Co., Ltd.<br>霍爾果斯建捷信諮詢服務有限公司                            | 14 July 2017                            | Domestic enterprise              | RMB10,000,000                    | RMB10,000,000    | RMB10,000,000                 | RMB10,000,000  | 100%                                         | 100% | Consultant service   |      |
| Horgos Zhengzhenxiang Consulting Co., Ltd.<br>霍爾果斯正振祥諮詢服務有限公司                       | 14 July 2017                            | Domestic enterprise              | RMB10,000,000                    | RMB10,000,000    | RMB10,000,000                 | RMB10,000,000  | 100%                                         | 100% | Consultant service   |      |
| Hainan Mingfa Real Estate Co., Ltd.<br>海南明發置業有限公司                                   | 9 July 2018                             | Domestic enterprise              | RMB10,000,000                    | RMB10,000,000    | —                             | —              | 100%                                         | 100% | Property development |      |
| Mingfa Group Gold Lake Real Estate Development<br>Co., Ltd<br>明發集團金湖房地產開發有限公司       | 24 August 2017                          | Foreign investment<br>enterprise | RMB1,078,170,000                 | RMB1,078,170,000 | RMB240,000,000                | RMB240,000,000 | 100%                                         | 100% | Property development |      |
| Mingfa Group Wuhu Real Estate Development Co.,<br>Ltd<br>明發集團蕪湖房地產開發有限公司            | 14 September 2017                       | Foreign investment<br>enterprise | RMB1,000,000                     | RMB1,000,000     | —                             | —              | 100%                                         | 100% | Property development |      |
| Mingfa Group Dangtu Real Estate Development Co.,<br>Ltd<br>明發集團當塗房地產開發有限公司          | 31 August 2017                          | Foreign investment<br>enterprise | RMB10,000,000                    | RMB10,000,000    | —                             | —              | 100%                                         | 100% | Property development |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                      | Date of incorporation/<br>establishment | Legal status                  | Authorised or registered capital |                | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |      | Principal activities | Note |
|-----------------------------------------------------------------------------------|-----------------------------------------|-------------------------------|----------------------------------|----------------|-------------------------------|----------------|----------------------------------------------|------|----------------------|------|
|                                                                                   | 2025                                    |                               | 2024                             | 2025           | 2024                          | 2025           | 2024                                         |      |                      |      |
|                                                                                   |                                         |                               |                                  |                |                               |                |                                              |      |                      |      |
| Subsidiaries — established and operating in the PRC (continued)                   |                                         |                               |                                  |                |                               |                |                                              |      |                      |      |
| Mingfa Group Hanshan Real Estate Development Co., Ltd<br>明發集團含山房地產開發有限公司          | 1 September 2017                        | Foreign investment enterprise | RMB10,000,000                    | RMB10,000,000  | —                             | —              | 100%                                         | 100% | Property development |      |
| Mingfa Group Chizhou Real Estate Development Co., Ltd<br>明發集團池州房地產開發有限公司          | 21 July 2017                            | Domestic enterprise           | RMB505,050,500                   | RMB505,050,500 | RMB400,000,000                | RMB400,000,000 | 100%                                         | 100% | Property development |      |
| Mingfa Group Anhui East City Development Co., Ltd<br>明發集團安徽東至城市開發有限公司             | 5 July 2017                             | Domestic enterprise           | RMB500,000,000                   | RMB500,000,000 | —                             | —              | 100%                                         | 100% | Property development |      |
| Quanjiao Ming Gui Real Estate Development Co., Ltd<br>全椒明桂房地產開發有限公司               | 28 July 2017                            | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 51%                                          | 51%  | Property development |      |
| Mingfa Group Lai'an Industry Co., Ltd<br>明發集團來安實業有限公司                             | 30 November 2017                        | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 100%                                         | 100% | Property development |      |
| Ma On Shan Ming Man Industrial Co Ltd<br>馬鞍山明曼實業有限公司                              | 15 August 2017                          | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development |      |
| Ma On Shan Ming Lai Industrial Co., Ltd<br>馬鞍山明萊實業有限公司                            | 15 August 2017                          | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development |      |
| Ma On Shan Ming Xu Industrial Co., Ltd<br>馬鞍山明旭實業有限公司                             | 15 August 2017                          | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development |      |
| Ma On Shan Ming Yun Industrial Co., Ltd<br>馬鞍山明雲實業有限公司                            | 16 August 2017                          | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development |      |
| Hainan Mingfa International Investment Co., Ltd<br>海南明發國際投資有限公司                   | 22 May 2018                             | Domestic enterprise           | RMB100,000,000                   | RMB100,000,000 | —                             | —              | 100%                                         | 100% | Property development |      |
| Mingfa Group (Pei Xian) Property Development Company Limited<br>明發集團(沛縣)房地產開發有限公司 | 9 May 2019                              | Domestic enterprise           | HK\$20,000,000                   | HK\$20,000,000 | HK\$20,000,000                | HK\$20,000,000 | 100%                                         | 100% | Property development |      |
| Ma On Shan Minguo Industrial Co., Ltd<br>馬鞍山明諾實業有限公司                              | 16 August 2017                          | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development |      |
| Ma On Shan Ming Song Industrial Co., Ltd<br>馬鞍山明松實業有限公司                           | 16 August 2017                          | Domestic enterprise           | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                    | Date of incorporation/<br>establishment | Legal status        | Authorised or registered capital |                | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |      | Principal activities  | Note |
|---------------------------------------------------------------------------------|-----------------------------------------|---------------------|----------------------------------|----------------|-------------------------------|----------------|----------------------------------------------|------|-----------------------|------|
|                                                                                 |                                         |                     | 2025                             | 2024           | 2025                          | 2024           | 2025                                         | 2024 |                       |      |
|                                                                                 |                                         |                     |                                  |                |                               |                |                                              |      |                       |      |
| Subsidiaries — established and operating in the PRC (continued)                 |                                         |                     |                                  |                |                               |                |                                              |      |                       |      |
| Ma On Shan Mingsen Industrial Co., Ltd<br>馬鞍山明森實業有限公司                           | 16 August 2017                          | Domestic enterprise | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development  |      |
| Ma On Shan Mingpo Industrial Co., Ltd<br>馬鞍山明浦實業有限公司                            | 21 December 2017                        | Domestic enterprise | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development  |      |
| Ma On Shan Mingde Real Estate Co., Ltd.<br>馬鞍山明德置業有限公司                          | 23 October 2018                         | Domestic enterprise | RMB10,100,000                    | RMB10,100,000  | RMB10,100,000                 | RMB10,100,000  | 100%                                         | 100% | Property development  |      |
| Zibo Mingfa City Development and Construction Co., Ltd.<br>濰博明發城市開發建設有限公司       | 20 September 2018                       | Domestic enterprise | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 100%                                         | 100% | Property development  |      |
| Jinzhai Mingfa Xincheng Real Estate Co., Ltd.<br>金寨明發新城置業有限公司                   | 30 September 2018                       | Domestic enterprise | RMB10,000,500                    | RMB10,000,500  | —                             | —              | 100%                                         | 100% | Property development  |      |
| Mingfa Group Qingyang City Development Co., Ltd.<br>明發集團青陽城市開發有限公司              | 22 July 2019                            | Domestic enterprise | RMB202,020,200                   | RMB202,020,200 | RMB200,000,000                | RMB200,000,000 | 100%                                         | 100% | Property development  |      |
| Mingfa Group Suining Real Estate Development Co., Ltd.<br>明發集團睢寧房地產開發有限公司       | 28 April 2020                           | Domestic enterprise | RMB83,000,000                    | RMB83,000,000  | —                             | —              | 60%                                          | 60%  | Property development  |      |
| Mingfa Group Yan'an New City Construction Co., Ltd.<br>明發集團延安新城建設有限公司           | 22 May 2020                             | Domestic enterprise | RMB200,000,000                   | RMB200,000,000 | RMB58,760,000                 | RMB58,760,000  | 90%                                          | 90%  | Property development  |      |
| Hainan Aohua Real Estate Co., Ltd.<br>海南澳華置業有限公司                                | 31 March 2014                           | Domestic enterprise | RMB125,000,000                   | RMB125,000,000 | —                             | —              | 60%                                          | 60%  | Property development  |      |
| Mingfa Minshang (Shaanxi) Real Estate Development Co., Ltd<br>明發閬商(陝西)房地產開發有限公司 | 14 February 2023                        | Domestic enterprise | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 60%                                          | 60%  | Property development. |      |
| Mingfa Group (Suzhou) Real Estate Development Co., Ltd.<br>明發集團(宿州)房地產開發有限公司    | 14 February 2023                        | Domestic enterprise | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 100%                                         | 100% | Property development  |      |
| Maanshan Mingshun Real Estate Co., Ltd.<br>馬鞍山市明順置業有限公司                         | 10 September 2021                       | Domestic enterprise | RMB150,000,000                   | RMB150,000,000 | RMB23,000,000                 | RMB23,000,000  | 90%                                          | 90%  | Property development  |      |
| Huai'an Mingyue Property Service Co., Ltd.<br>淮安市明悅物業服務有限公司                     | 15 June 2022                            | Domestic enterprise | RMB1,000,000                     | RMB1,000,000   | —                             | —              | 51%                                          | 51%  | Property development  |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                       | Date of<br>incorporation/<br>establishment | Legal status                 | Authorised or registered capital |                | Issued and fully paid capital |                 | Effective interest held<br>as at 31 December |      | Principal activities | Note |
|------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|----------------------------------|----------------|-------------------------------|-----------------|----------------------------------------------|------|----------------------|------|
|                                                                                    | 2025                                       |                              | 2024                             | 2025           | 2024                          | 2025            | 2024                                         |      |                      |      |
|                                                                                    |                                            |                              |                                  |                |                               |                 |                                              |      |                      |      |
| Subsidiaries — established and operating in the PRC (continued)                    |                                            |                              |                                  |                |                               |                 |                                              |      |                      |      |
| Maanshan Mingheng Real Estate Co., Ltd.<br>馬鞍山市明恆置業有限公司                            | 25 May 2023                                | Domestic enterprise          | RMB50,000,000                    | RMB50,000,000  | RMB20,000,000                 | RMB20,000,000   | 90%                                          | 90%  | Property development |      |
| Subsidiary — incorporated in Taiwan                                                |                                            |                              |                                  |                |                               |                 |                                              |      |                      |      |
| Ju Fa Development Company Limited (Taiwan)<br>如發開發股份有限公司 (台灣)                      | 1 April 2013                               | Limited liability<br>company | NTD600,000,000                   | NTD600,000,000 | NTD391,208,800                | NTD391,208,800  | 100%                                         | 100% | Property development |      |
| Subsidiaries — incorporated and operating in Hong Kong                             |                                            |                              |                                  |                |                               |                 |                                              |      |                      |      |
| Ming Fat Holdings (Hong Kong) Limited<br>明發集團 (香港) 有限公司                            | 25 October 2000                            | Limited liability<br>company | N/A                              | N/A            | HK\$80,000,000                | HK\$80,000,000  | 100%                                         | 100% | Investment holding   |      |
| Hong Kong Ming Fat Shui Fung Electronics<br>Technology Co., Ltd.<br>香港明發瑞豐科技光電有限公司 | 28 September 2004                          | Limited liability<br>company | N/A                              | N/A            | HK\$2,000,000                 | HK\$2,000,000   | 100%                                         | 100% | Investment holding   |      |
| Hong Kong Ming Wah Investment Development<br>Company<br>香港明華投資發展公司                 | 11 May 2002                                | Partnership                  | N/A                              | N/A            | —                             | —               | 100%                                         | 100% | Investment holding   |      |
| Hong Kong Full Bright Holdings Limited<br>香港盈輝集團有限公司                               | 4 December 2007                            | Limited liability<br>company | N/A                              | N/A            | HK\$1,000                     | HK\$1,000       | 100%                                         | 100% | Investment holding   |      |
| H.K. Mingfa Hua Qing Investment Holdings Limited<br>香港明發華慶投資集團有限公司                 | 23 August 2005                             | Limited liability<br>company | N/A                              | N/A            | HK\$300,000,000               | HK\$300,000,000 | 70%                                          | 70%  | Investment holding   |      |
| H.K. Ming Shing Assets Management Group Limited<br>香港明勝資產管理集團有限公司                  | 10 September 2009                          | Limited liability<br>company | N/A                              | N/A            | HK\$10,000                    | HK\$10,000      | 100%                                         | 100% | Investment holding   |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                                | Date of incorporation/<br>establishment | Legal status              | Authorised or registered capital |      | Issued and fully paid capital |            | Effective interest held<br>as at 31 December |      | Principal activities | Note |
|---------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------|----------------------------------|------|-------------------------------|------------|----------------------------------------------|------|----------------------|------|
|                                                                                             | 2025                                    |                           | 2024                             | 2025 | 2024                          | 2025       | 2024                                         |      |                      |      |
|                                                                                             |                                         |                           |                                  |      |                               |            |                                              |      |                      |      |
| Subsidiaries — incorporated and operating in Hong Kong (continued)                          |                                         |                           |                                  |      |                               |            |                                              |      |                      |      |
| Dowence Development Limited<br>都運時發展有限公司                                                    | 27 January 2011                         | Limited liability company | N/A                              | N/A  | HK\$10,000                    | HK\$10,000 | 80%                                          | 80%  | Investment holding   |      |
| Mingfa Group Property Company Limited<br>明發集團房地產有限公司                                        | 19 April 2010                           | Limited liability company | N/A                              | N/A  | HK\$1                         | HK\$1      | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Construction Company Limited<br>明發集團建設有限公司                                     | 19 April 2010                           | Limited liability company | N/A                              | N/A  | HK\$1                         | HK\$1      | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Development Company Limited<br>明發集團發展有限公司                                      | 19 April 2010                           | Limited liability company | N/A                              | N/A  | HK\$1                         | HK\$1      | 100%                                         | 100% | Investment holding   |      |
| Mingfa Property Investment Company Limited<br>明發物業投資有限公司                                    | 3 August 2010                           | Limited liability company | N/A                              | N/A  | HK\$10,000                    | HK\$10,000 | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Finance Company Limited<br>明發集團財務有限公司                                          | 19 January 2012                         | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000  | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Land Development Company Limited<br>明發集團土地開發有限公司                               | 19 January 2011                         | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000  | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Construction Engineering Company Limited<br>明發集團建築工程有限公司                       | 19 January 2011                         | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000  | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group (China) City Centre Integrated Projects Company Limited<br>明發集團(中國)城市綜合體建設有限公司 | 26 April 2011                           | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000  | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group (China) Travel Estate Development Company Limited<br>明發集團(中國)旅遊地產開發有限公司        | 26 April 2011                           | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000  | 100%                                         | 100% | Investment holding   |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                                 | Date of<br>incorporation/<br>establishment | Legal status              | Authorised or registered capital |      | Issued and fully paid capital |           | Effective interest held<br>as at 31 December |      | Principal activities | Note |
|----------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------|----------------------------------|------|-------------------------------|-----------|----------------------------------------------|------|----------------------|------|
|                                                                                              |                                            |                           |                                  |      |                               |           |                                              |      |                      |      |
|                                                                                              | 2025                                       |                           | 2024                             | 2025 | 2024                          | 2025      | 2024                                         |      |                      |      |
| Subsidiaries — incorporated and operating in Hong Kong (continued)                           |                                            |                           |                                  |      |                               |           |                                              |      |                      |      |
| Mingfa Group (China) Commercial Estate Development Company Limited<br>明發集團(中國)商業地產開發有限公司     | 26 April 2011                              | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000 | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group (China) New Town Construction Company Limited<br>明發集團(中國)新城鎮建設有限公司              | 3 May 2011                                 | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000 | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Cultural Property Development Company Limited<br>明發集團文化產業發展有限公司                 | 29 November 2012                           | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000 | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Business Park Development Company Limited<br>明發集團總部基地開發有限公司                     | 29 November 2012                           | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000 | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group Technology Property Real Estate Development Company Limited<br>明發集團科技產業地產開發有限公司 | 29 November 2012                           | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000 | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group New Town Development Company Limited<br>明發集團新城鎮開發有限公司                           | 29 November 2012                           | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000 | 100%                                         | 100% | Investment holding   |      |
| Mingfa Group (China) World Trade Center Development Company Limited<br>明發集團(中國)世界貿易中心開發有限公司  | 29 November 2012                           | Limited liability company | N/A                              | N/A  | HK\$1,000                     | HK\$1,000 | 100%                                         | 100% | Investment holding   |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                            | Date of<br>incorporation/<br>establishment | Legal status                 | Authorised or registered capital |            | Issued and fully paid capital |            | Effective interest held<br>as at 31 December |      | Principal activities | Note |
|-------------------------------------------------------------------------|--------------------------------------------|------------------------------|----------------------------------|------------|-------------------------------|------------|----------------------------------------------|------|----------------------|------|
|                                                                         | 2025                                       |                              | 2024                             | 2025       | 2024                          | 2025       | 2024                                         |      |                      |      |
|                                                                         |                                            |                              |                                  |            |                               |            |                                              |      |                      |      |
| Subsidiaries — incorporated and operating in the British Virgin Islands |                                            |                              |                                  |            |                               |            |                                              |      |                      |      |
| Profit Surplus Investments Limited<br>利盈投資有限公司*                         | 21 November 2007                           | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$11,100                    | US\$11,100 | 100%                                         | 100% | Investment holding   |      |
| Fit Top Group Limited<br>輝德集團有限公司*                                      | 30 October 2007                            | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$10,000                    | US\$10,000 | 100%                                         | 100% | Investment holding   |      |
| Add High International Limited<br>添高國際有限公司*                             | 30 October 2007                            | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$10,000                    | US\$10,000 | 100%                                         | 100% | Investment holding   |      |
| Elite Harbour Limited<br>港俊有限公司*                                        | 26 March 2010                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Crown Succeed Limited<br>成冠有限公司*                                        | 26 March 2010                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Shiny Hope Limited<br>明望有限公司*                                           | 18 March 2010                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Jian Mao Limited<br>建茂有限公司*                                             | 15 December 2010                           | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Sign Boom Limited<br>兆興有限公司*                                            | 15 December 2010                           | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Day Sleek Limited<br>日順有限公司*                                            | 15 December 2010                           | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Haofa Limited<br>好發有限公司*                                                | 15 December 2010                           | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Lead Far Group Limited<br>利發集團有限公司*                                     | 10 March 2011                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Trade Far Holdings Limited<br>貿發控股有限公司*                                 | 25 March 2011                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Dragon Boom Holdings Limited<br>龍旺控股有限公司*                               | 22 March 2011                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |
| Hero Shine Holdings Limited<br>英盛控股有限公司*                                | 25 March 2011                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1      | 100%                                         | 100% | Investment holding   |      |

\* Directly held by the Company

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                        | Date of<br>incorporation/<br>establishment | Legal status                 | Authorised or registered capital |            | Issued and fully paid capital |       | Effective interest held<br>as at 31 December |      | Principal activities | Note |
|-------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|----------------------------------|------------|-------------------------------|-------|----------------------------------------------|------|----------------------|------|
|                                                                                     | 2025                                       |                              | 2024                             | 2025       | 2024                          | 2025  | 2024                                         |      |                      |      |
|                                                                                     |                                            |                              |                                  |            |                               |       |                                              |      |                      |      |
| Subsidiaries — incorporated and operating in the British Virgin Islands (continued) |                                            |                              |                                  |            |                               |       |                                              |      |                      |      |
| Brave Fortune Group Limited<br>勇發集團有限公司*                                            | 25 March 2011                              | Limited liability<br>company | US\$50,000                       | US\$50,000 | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Long Thrive International Limited<br>長盛國際有限公司*                                      | 17 October 2012                            | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Astute Skill Limited<br>明巧有限公司*                                                     | 26 October 2012                            | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Great Stand Investments Limited<br>昌立投資有限公司*                                        | 2 October 2012                             | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Baile Investments Limited<br>百樂投資有限公司*                                              | 12 November 2012                           | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Moon Rainbow Limited<br>滿虹有限公司*                                                     | 30 October 2012                            | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Sharp Pass Limited<br>銳通有限公司*                                                       | 21 October 2014                            | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Repute Rise Limited<br>譽升有限公司*                                                      | 15 June 2015                               | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Investment holding   |      |
| Easycrest Limited<br>易冠有限公司*                                                        | 30 April 2014                              | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 100%                                         | 100% | Property development |      |
| Amity Achiever Limited<br>和達有限公司                                                    | 21 July 2017                               | Limited liability<br>company | US\$1                            | US\$1      | US\$1                         | US\$1 | 50%                                          | 50%  | Investment holding   |      |

\* Directly held by the Company

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                                     | Date of incorporation/<br>establishment | Legal status               | Authorised or registered capital |                | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |       | Principal activities                        | Note |
|--------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------|----------------------------------|----------------|-------------------------------|----------------|----------------------------------------------|-------|---------------------------------------------|------|
|                                                                                                  |                                         |                            | 2025                             | 2024           | 2025                          | 2024           | 2025                                         | 2024  |                                             |      |
|                                                                                                  |                                         |                            |                                  |                |                               |                |                                              |       |                                             |      |
| Associated companies — established and operating in the PRC                                      |                                         |                            |                                  |                |                               |                |                                              |       |                                             |      |
| Changchun Shimao Mingfa Real Estate Company Limited<br>長春世茂明發房地產開發有限公司                           | 28 October 2009                         | Domestic enterprise        | RMB300,000,000                   | RMB300,000,000 | RMB300,000,000                | RMB300,000,000 | 37.5%                                        | 37.5% | Property development and investment holding |      |
| Nanjing Software Valley Qichuang Communication Technology Co., Ltd.<br>南京軟件谷奇創通訊科技有限公司           | 6 February 2013                         | Sino-foreign joint venture | US\$65,100,000                   | US\$65,100,000 | US\$65,100,000                | US\$65,100,000 | 49%                                          | 49%   | Property development                        |      |
| Nanjing Software Valley Mingfa Information Technology Development Co., Ltd.<br>南京軟件谷明發信息科技發展有限公司 | 21 June 2005                            | Sino-foreign joint venture | US\$60,000,000                   | US\$60,000,000 | US\$60,000,000                | US\$60,000,000 | 48%                                          | 48%   | Property investment and investment holding  |      |
| 江蘇築業建築科技發展有限公司                                                                                   | 26 July 2017                            | Domestic enterprise        | RMB100,000,000                   | RMB100,000,000 | RMB100,000,000                | RMB100,000,000 | 30%                                          | 30%   | Property development                        |      |
| Nanjing Ruijing Real Estate Development Co.,<br>南京銳景房地產開發有限公司                                    | 9 October 2017                          | Domestic enterprise        | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 25%                                          | 25%   | Property development                        |      |
| Zhangchun Yue Yi Real Estate Development Co.,<br>長春悅翊房地產開發有限公司                                   | 13 November 2017                        | Domestic enterprise        | RMB100,000,000                   | RMB100,000,000 | RMB100,000,000                | RMB100,000,000 | 37.5%                                        | 37.5% | Property development                        |      |
| Ma On Shan Minghua Real Estate Co., Ltd<br>馬鞍山明華置業有限公司                                           | 27 July 2018                            | Domestic enterprise        | RMB10,000,000                    | RMB10,000,000  | N/A                           | N/A            | 49%                                          | 49%   | Property development                        |      |
| Guang'an Yueshang Commercial Management Co., Ltd.<br>廣安市悅尚商業管理有限公司                               | 11 April 2019                           | Domestic enterprise        | RMB20,000,000                    | RMB20,000,000  | RMB20,000,000                 | RMB20,000,000  | 49%                                          | 49%   | Provision for trading service               |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                               | Date of<br>incorporation/<br>establishment | Legal status                 | Authorised or registered capital |                | Issued and fully paid capital |                | Effective interest held<br>as at 31 December |        | Principal activities | Note |
|----------------------------------------------------------------------------|--------------------------------------------|------------------------------|----------------------------------|----------------|-------------------------------|----------------|----------------------------------------------|--------|----------------------|------|
|                                                                            | 2025                                       |                              | 2024                             | 2025           | 2024                          | 2025           | 2024                                         |        |                      |      |
|                                                                            |                                            |                              |                                  |                |                               |                |                                              |        |                      |      |
| Associated companies — established and operating in the PRC (continued)    |                                            |                              |                                  |                |                               |                |                                              |        |                      |      |
| Ma On Shan Minglin Industrial Co., Ltd<br>馬鞍山明林實業有限公司                      | 21 December 2017                           | Domestic enterprise          | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 49%                                          | 49%    | Property development |      |
| Ma On Shan Mingkun Industrial Co., Ltd.<br>馬鞍山明坤實業有限公司                     | 21 December 2017                           | Domestic enterprise          | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 49%                                          | 49%    | Property development |      |
| Ma On Shan Mingzhao Industrial Co., Ltd.<br>馬鞍山明昭實業有限公司                    | 21 December 2017                           | Domestic enterprise          | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 49%                                          | 49%    | Property development |      |
| Ma On Shan Mingzhang Industrial Co., Ltd<br>馬鞍山明章實業有限公司                    | 21 December 2017                           | Domestic enterprise          | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 49%                                          | 49%    | Property development |      |
| Ma On Shan Mingnan Industrial Co., Ltd<br>馬鞍山明楠實業有限公司                      | 21 December 2017                           | Domestic enterprise          | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 49%                                          | 49%    | Property development |      |
| Ma On Shan Mingshu Industrial Co., Ltd.<br>馬鞍山明樹實業有限公司                     | 21 December 2017                           | Domestic enterprise          | RMB20,000,000                    | RMB20,000,000  | —                             | —              | 49%                                          | 49%    | Property development |      |
| Associated companies — incorporated in the British Virgin Islands          |                                            |                              |                                  |                |                               |                |                                              |        |                      |      |
| Eagle Rights Limited<br>鈞濠有限公司                                             | 31 March 2010                              | Limited liability<br>company | US\$45,000,000                   | US\$45,000,000 | US\$45,000,000                | US\$45,000,000 | 33.33%                                       | 33.33% | Investment holding   |      |
| Winning Orient Limited<br>東勝有限公司                                           | 26 April 2018                              | Limited liability<br>company | US\$1                            | US\$1          | US\$1                         | US\$1          | 49%                                          | 49%    | Investment holding   |      |
| Associated company — incorporated in Hong Kong                             |                                            |                              |                                  |                |                               |                |                                              |        |                      |      |
| Winning Orient Construction Group (Hong Kong)<br>Limited<br>東勝建設集團(香港)有限公司 | 20 June 2018                               | Limited liability<br>company | N/A                              | N/A            | HK\$10,000                    | HK\$10,000     | 49%                                          | 49%    | Investment holding   |      |
| Golden Base International Enterprises Limited<br>金邦國際企業有限公司                | 27 January 2011                            | Limited liability<br>company | N/A                              | N/A            | HK\$1                         | HK\$1.00       | 49.1%                                        | 49.1%  | Investment holding   |      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| Company name                                                                                             | Date of incorporation/<br>establishment | Legal status               | Authorised or registered capital |                 | Issued and fully paid capital |                 | Effective interest held<br>as at 31 December |       | Principal activities          | Note |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------|----------------------------------|-----------------|-------------------------------|-----------------|----------------------------------------------|-------|-------------------------------|------|
|                                                                                                          |                                         |                            | 2025                             | 2024            | 2025                          | 2024            | 2025                                         | 2024  |                               |      |
|                                                                                                          |                                         |                            |                                  |                 |                               |                 |                                              |       |                               |      |
| Joint ventures — established and operating in the PRC                                                    |                                         |                            |                                  |                 |                               |                 |                                              |       |                               |      |
| Nanjing Mingfa Technological and Commercial Town Construction Development Co., Ltd.<br>南京明發科技商務城建設發展有限公司 | 9 September 2005                        | Sino-foreign joint venture | US\$448,980,000                  | US\$448,980,000 | US\$448,079,550               | US\$448,079,550 | 100%                                         | 51%   | Property development          | (b)  |
| Nanjing Chunhe Electronic Co., Ltd.<br>南京春和電子有限公司                                                        | 11 April 2007                           | Domestic enterprise        | RMB18,000,000                    | RMB18,000,000   | RMB18,000,000                 | RMB18,000,000   | 100%                                         | 28.3% | Property development          | (b)  |
| Nanjing Lichang Light and Electronic Technology Co., Ltd.<br>南京立昌光電科技有限公司                                | 10 April 2007                           | Domestic enterprise        | RMB20,000,000                    | RMB20,000,000   | RMB20,000,000                 | RMB20,000,000   | 100%                                         | 30.6% | Property development          | (b)  |
| Nanjing Lianchang Engineering Co., Ltd.<br>南京聯昌機電有限公司                                                    | 13 April 2007                           | Domestic enterprise        | RMB15,000,000                    | RMB15,000,000   | RMB15,000,000                 | RMB15,000,000   | 100%                                         | 51%   | Property development          | (b)  |
| Nanjing Mingfa High District Property Co., Ltd.<br>南京明發高區置業有限公司                                          | 17 June 2013                            | Domestic enterprise        | RMB122,610,000                   | RMB122,610,000  | RMB122,610,000                | RMB122,610,000  | 100%                                         | 51%   | Property development          | (b)  |
| Nanjing Guofa Real Estate Co., Ltd.<br>南京國發置業有限公司                                                        | 27 November 2017                        | Domestic enterprise        | RMB50,000,000                    | RMB50,000,000   | RMB50,000,000                 | RMB50,000,000   | 51%                                          | 51%   | Property development          |      |
| Suzhou Zhengxin Real Estate Development Co., Ltd<br>蘇州正信置業發展有限公司                                         | 1 July 2017                             | Domestic enterprise        | RMB103,721,781                   | RMB103,721,781  | —                             | —               | 14%                                          | 14%   | Property development          |      |
| Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd.<br>長沙砂之船中國百匯奧萊商業管理有限公司          | 5 June 2017                             | Domestic enterprise        | RMB39,215,678                    | RMB39,215,678   | RMB3,921,568                  | RMB3,921,568    | 49%                                          | 49%   | Property management           |      |
| Wuxi Yueshang Outlets Co., Ltd.<br>無錫市悅尚奧萊有限責任公司                                                         | 3 February 2019                         | Domestic enterprise        | RMB40,800,000                    | RMB40,800,000   | RMB40,800,000                 | RMB40,800,000   | 50%                                          | 50%   | Provision for trading service |      |
| Guang'an Yueshang Commercial Management Co., Ltd.<br>廣安市悅尚商業管理有限公司                                       | 11 April 2019                           | Domestic enterprise        | RMB20,000,000                    | RMB20,000,000   | RMB20,000,000                 | RMB20,000,000   | 49%                                          | 49%   | Provision for trading service |      |
| Shanghai Jiaming Yongshang Commercial Management Co., Ltd.<br>上海佳明永尚商業管理有限公司                             | 10 October 2023                         | Sino-foreign joint venture | RMB750,000,000                   | RMB750,000,000  | RMB750,000,000                | RMB750,000,000  | 40%                                          | 40%   | Provision for trading service |      |
| Joint ventures — incorporated and operating in the British Virgin Islands                                |                                         |                            |                                  |                 |                               |                 |                                              |       |                               |      |
| Versicraft Holdings Limited                                                                              | 21 September 2015                       | Limited liability company  | US\$300                          | US\$300         | US\$300                       | US\$300         | 33.3%                                        | 33.3% | Investment holding            |      |
| Joint ventures — incorporated and operating in Hong Kong                                                 |                                         |                            |                                  |                 |                               |                 |                                              |       |                               |      |
| Versicraft International Limited                                                                         | 19 January 2012                         | Limited liability company  | N/A                              | N/A             | HK\$1                         | HK\$1.00        | 33.3%                                        | 33.3% | Investment holding            |      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 35 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Notes:

- a. The Group controls Mingfa Group Nanjing Ruiye Real Estate Co., Ltd. and Nanjing Zhaofu International Golf Club Co., Ltd., despite the Group owning less than 50% voting rights. This is because the Group has the practical ability to unilaterally direct the relevant activities of these companies.
- b. These joint ventures have become wholly-owned subsidiaries of the Group in 2025 (Note 36).

### 36 DEEMED ACQUISITION

During the year ended 31 December 2025, the Group and the other joint venturer of Mingfa Technological reached an agreement on the redemption arrangement of the 49% interest in Mingfa Technological held by the other joint venturer. Under the arrangement, certain completed properties held under the joint venture were transferred to the other joint venturer for its redemption of the 49% interest held. Since then, Mingfa Technological has become a wholly-owned subsidiary of the Group.

The directors considered this arrangement as deemed acquisition and accounted for under HKFRS 3, Business Combinations, as a business combination achieved in stages. The Group consolidated the identifiable assets and liabilities of Mingfa Technological at their acquisition-date fair values while derecognised the interest in Mingfa Technological as a deemed consideration. The details are summarised below:

|                                                        | RMB'000     |
|--------------------------------------------------------|-------------|
| Properties under development                           | 1,616,000   |
| Completed properties held for sale                     | 321,000     |
| Trade and other receivables and prepayments            | 195,559     |
| Amounts due from a shareholder's associate             | 296,000     |
| Amounts due from a shareholder                         | 2,779,500   |
| Cash and cash equivalents                              | 616         |
| Trade and other payables                               | (2,176,945) |
| Contract liabilities                                   | (207,207)   |
| Bank borrowings                                        | (782,580)   |
| Total identifiable net assets acquired                 | 2,041,943   |
| Fair value of interest in a joint venture derecognised | (2,023,890) |
| Gain on deemed acquisition                             | (18,053)    |
| Net inflow of cash on deemed acquisition               | 616         |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



### 36 DEEMED ACQUISITION (continued)

Since the acquisition or had the combination taken place at the beginning of the year, Mingfa Technological did not contribute any significant amount to the Group's revenue and results for the year ended 31 December 2025.

### 37 FINANCIAL GUARANTEES

The Group had the following financial guarantees as at 31 December 2025 and 2024.

|                                                                                                      | As at 31 December |           |
|------------------------------------------------------------------------------------------------------|-------------------|-----------|
|                                                                                                      | 2025              | 2024      |
|                                                                                                      | RMB'000           | RMB'000   |
| Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties (Note) | 4,488,535         | 5,116,407 |

*Note:*

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the Group obtained the "property title certificate" for the mortgagees, or when the Group obtained the "master property title certificate". The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the consolidated financial statements for the guarantees.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 38 COMMITMENTS

### Commitments for capital and property development expenditure

|                                                    | As at 31 December |            |
|----------------------------------------------------|-------------------|------------|
|                                                    | 2025              | 2024       |
|                                                    | RMB'000           | RMB'000    |
| Contracted but not provided for                    |                   |            |
| — Properties being developed by the Group for sale | 17,684,163        | 18,373,667 |
| — Land use rights                                  | 764,776           | 764,776    |
|                                                    | 18,448,939        | 19,138,443 |

## 39 CONTINGENT LIABILITIES

The Group, being a property developer in the PRC, is subject to extensive government requirements in many aspects of its property development operations, including but not limited to land acquisition and transfer, planning and construction works, etc. In the ordinary course of business, the Group has various development projects which are behind the development timelines as stipulated in the land transfer agreements or approved by the local authorities. According to the regulation “Measures for Disposal of Unused Land” and other relevant regulations, the government is empowered to levy idle land penalty and in the extreme case, confiscate the undeveloped land depending on circumstances. In addition, the delay in development may constitute default in contract terms of the land transfer agreements, of which the transferor can claim for liquidated damages. As at 31 December 2025 and 2024, the construction works of the land parcels of certain subsidiaries in Jurong, Lanzhou, Shenyang and Tianjin, the PRC, were behind the stipulated development timelines. Accordingly, these subsidiaries are exposed to the aforementioned possible penalties and liquidated damages. The directors estimated that the amount of penalty and liquidated damages would be approximately RMB1,427,275,000 (2024: RMB1,254,251,000) in aggregate according to the relevant regulations and land transfer agreements. The carrying amount of the aforementioned lands is approximately RMB194,916,000 in aggregate as of 31 December 2025 (2024: RMB198,374,000). Notwithstanding the above, the directors, having regard to their past experiences in handling similar matter and the latest local development, together with the application for extending the commencement dates of construction works submitted and communications with relevant local authorities, considered that the risk of confiscation of the concerned land parcels as well as penalty and liquidated damages is low. Having regard to the nature and latest development, the directors are of the opinion that no non-conformity instance would have material impact on the result and financial position of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



### 40 RELATED PARTY TRANSACTIONS

#### a. Name and relationship with related parties

##### i. Controlling shareholders

Ms. Chen Bihua, Mr. Huang Li Shui, Mr. Huang Qingzhu and Mr. Huang Lianchun.

##### ii. Entities controlled by the Controlling Shareholders

|                                                           |                 |
|-----------------------------------------------------------|-----------------|
| Xiamen Mingfa Property Development Limited*               | 廈門市明發物業發展有限公司   |
| Growing Group Limited                                     | 興盛集團有限公司        |
| Better Luck Group Limited                                 | 華運集團有限公司        |
| Gainday Holdings Limited                                  | 朝達控股有限公司        |
| Tin Sun Holdings Limited                                  | 日新控股有限公司        |
| Bloom Luck Holdings Limited                               | 隆福集團有限公司        |
| Run Fast International Limited                            | 運訊國際有限公司        |
| Galaxy Earnest Limited                                    | 銀誠有限公司          |
| Hong Kong Ming Fat International Holdings Company Limited | 香港明發國際集團有限公司    |
| Creative Industrial Estate (China) Development Limited    | 創業產業園(中國)發展有限公司 |
| Mile Pacific (Hong Kong) Limited                          | 邁泰(香港)有限公司      |
| Mile Pacific Limited                                      | 邁泰有限公司          |
| Sky Color Limited                                         | 天輝有限公司          |
| Avail Wide Limited                                        | 博盈有限公司          |
| Ocean Ample Limited                                       | 海溢投資有限公司        |
| Hong Kong Ming Fa Investment Development Limited          | 香港明發投資發展有限公司    |
| Tampell Limited                                           | 天普有限公司          |
| Zone Ray Limited                                          | 崇亮有限公司          |

\* This company was a subsidiary of the Company before it was disposed.

The English names of certain of the companies referred to above in this note represent management's best efforts in translating the Chinese names of these companies as no English names have been registered or available.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 40 RELATED PARTY TRANSACTIONS (continued)

#### b. Transactions with related parties

Other than those disclosed elsewhere in the consolidated financial statements, the Group had entered into the following major related party transactions:

|                                   | Year ended 31 December |         |
|-----------------------------------|------------------------|---------|
|                                   | 2025                   | 2024    |
|                                   | RMB'000                | RMB'000 |
| Rental income from joint ventures | 56,081                 | 61,098  |

#### c. Key management compensation

|                                                 | Year ended 31 December |         |
|-------------------------------------------------|------------------------|---------|
|                                                 | 2025                   | 2024    |
|                                                 | RMB'000                | RMB'000 |
| Salaries and other short-term employee benefits | 6,016                  | 7,881   |
| Retirement scheme contributions                 | 33                     | 20      |
|                                                 | 6,049                  | 7,901   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 41 HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

|                                                                    | As at 31 December<br>2025<br>RMB'000 | 2024<br>RMB'000    |
|--------------------------------------------------------------------|--------------------------------------|--------------------|
| <b>ASSETS</b>                                                      |                                      |                    |
| <b>Non-current assets</b>                                          |                                      |                    |
| Investment in subsidiaries                                         | 171,714                              | 171,714            |
| Property, plant and equipment                                      | 21                                   | 21                 |
|                                                                    | 171,735                              | 171,735            |
| <b>Current assets</b>                                              |                                      |                    |
| Other receivables                                                  | 2,307                                | 61                 |
| Amounts due from subsidiaries                                      | 6,267,433                            | 6,983,854          |
| Amount due from associate                                          | 11,511                               | 11,511             |
| Amount due from non-controlling interests                          | 143,566                              | 145,039            |
| Cash and cash equivalents                                          | 2,205                                | 2,902              |
|                                                                    | 6,427,022                            | 7,143,367          |
| <b>Total assets</b>                                                | <b>6,598,757</b>                     | <b>7,315,102</b>   |
| <b>LIABILITIES</b>                                                 |                                      |                    |
| <b>Current liabilities</b>                                         |                                      |                    |
| Other payables                                                     | 1,823,941                            | 1,845,491          |
| Amounts due to subsidiaries                                        | 5,864,068                            | 6,485,546          |
| Amount due to a related party                                      | 1,152,599                            | 1,269,816          |
|                                                                    | 8,840,608                            | 9,600,853          |
| <b>Net current liabilities</b>                                     | <b>(2,413,586)</b>                   | <b>(2,457,486)</b> |
| <b>Total assets less current liabilities</b>                       | <b>(2,241,851)</b>                   | <b>(2,285,751)</b> |
| <b>Net liabilities</b>                                             | <b>(2,241,851)</b>                   | <b>(2,285,751)</b> |
| <b>EQUITY</b>                                                      |                                      |                    |
| Capital and reserves attributable to equity holders of the Company |                                      |                    |
| Share capital                                                      | 536,281                              | 536,281            |
| Reserves (Note)                                                    | (2,778,132)                          | (2,822,032)        |
| <b>Total deficit</b>                                               | <b>(2,241,851)</b>                   | <b>(2,285,751)</b> |

On behalf of the directors

**Ng Man Fung Walter**  
Director

**Shang Xuan**  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41 HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (continued)

Note:

#### Reserve movement of the Company

|                                                | Share premium<br>RMB'000 | Accumulated losses<br>RMB'000 | Total<br>RMB'000   |
|------------------------------------------------|--------------------------|-------------------------------|--------------------|
| Balance at 1 January 2024                      | 631,266                  | (3,420,782)                   | (2,789,516)        |
| Loss for the year                              | —                        | (32,516)                      | (32,516)           |
| Balance at 31 December 2024 and 1 January 2025 | 631,266                  | (3,453,298)                   | (2,822,032)        |
| Profit for the year                            | —                        | 43,900                        | 43,900             |
| Balance at 31 December 2025                    | <b>631,266</b>           | <b>(3,409,398)</b>            | <b>(2,778,132)</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



## 42 NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

|                                                                         | Borrowings<br>(Note 22)<br>RMB'000 | Amounts due<br>to related<br>parties, joint<br>ventures and<br>associated<br>companies<br>(Note 26)<br>RMB'000 | Amounts due<br>to non-<br>controlling<br>interests<br>(Note 16)<br>RMB'000 | Advances from<br>other parties<br>(Note 25)<br>RMB'000 | Advance from<br>shareholder of<br>associated<br>companies and<br>joint venture<br>(Note 25)<br>RMB'000 | Lease liabilities<br>(Note 27)<br>RMB'000 |
|-------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------|
| As 1 January 2025                                                       | (2,110,728)                        | (5,769,523)                                                                                                    | (741,149)                                                                  | (362,891)                                              | (2,218,203)                                                                                            | (4,568)                                   |
| Changes from cash flows:                                                |                                    |                                                                                                                |                                                                            |                                                        |                                                                                                        |                                           |
| Drawdown of borrowings                                                  | —                                  | —                                                                                                              | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Repayment of borrowings                                                 | 105,776                            | —                                                                                                              | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Advances repaid to related parties                                      | —                                  | 241,330                                                                                                        | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Advances repaid to joint ventures                                       | —                                  | 35                                                                                                             | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Advances received from joint ventures                                   | —                                  | (32,015)                                                                                                       | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Advances repaid to associated companies                                 | —                                  | 156,900                                                                                                        | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Advances received from non-controlling interests                        | —                                  | —                                                                                                              | (34,232)                                                                   | —                                                      | —                                                                                                      | —                                         |
| Advances repaid to non-controlling interests                            | —                                  | —                                                                                                              | 88,699                                                                     | —                                                      | —                                                                                                      | —                                         |
| Repayment of principal lease liabilities                                | —                                  | —                                                                                                              | —                                                                          | —                                                      | —                                                                                                      | 2,355                                     |
| Repayment of interest expenses of lease liabilities                     | —                                  | —                                                                                                              | —                                                                          | —                                                      | —                                                                                                      | 625                                       |
| Advance repaid to shareholder of associated companies and joint venture | —                                  | —                                                                                                              | —                                                                          | —                                                      | 2,586                                                                                                  | —                                         |
| Interest paid                                                           | —                                  | —                                                                                                              | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Total changes from financing cash flows:                                | 105,776                            | 366,250                                                                                                        | 54,467                                                                     | —                                                      | 2,586                                                                                                  | 2,980                                     |
| Exchange adjustments                                                    | —                                  | —                                                                                                              | —                                                                          | 9,991                                                  | 21,184                                                                                                 | —                                         |
| Other changes:                                                          |                                    |                                                                                                                |                                                                            |                                                        |                                                                                                        |                                           |
| Addition from deemed acquisition                                        | (782,580)                          | 3,075,500                                                                                                      | —                                                                          | —                                                      | —                                                                                                      | —                                         |
| Interest expense on lease liabilities                                   | —                                  | —                                                                                                              | —                                                                          | —                                                      | —                                                                                                      | (625)                                     |
| At 31 December 2025                                                     | (2,787,532)                        | (2,327,773)                                                                                                    | (686,682)                                                                  | (352,900)                                              | (2,194,433)                                                                                            | (2,213)                                   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 42 NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Reconciliation of liabilities arising from financing activities: (continued)

|                                                                         | Borrowings<br>(Note 22)<br>RMB'000 | Amounts due to<br>related parties,<br>joint ventures<br>and associated<br>companies<br>(Note 26)<br>RMB'000 | Amounts due to<br>non-controlling<br>interests<br>(Note 16)<br>RMB'000 | Advances<br>from other<br>parties<br>(Note 25)<br>RMB'000 | Advance from<br>shareholder of<br>associated<br>companies and<br>joint venture<br>(Note 25)<br>RMB'000 | Lease<br>liabilities<br>(Note 27)<br>RMB'000 |
|-------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------|
| As 1 January 2024                                                       | (2,515,134)                        | (7,408,692)                                                                                                 | (616,284)                                                              | (356,273)                                                 | (2,689,385)                                                                                            | (7,750)                                      |
| Changes from cash flows:                                                |                                    |                                                                                                             |                                                                        |                                                           |                                                                                                        |                                              |
| Drawdown of borrowings                                                  | (18,000)                           | —                                                                                                           | —                                                                      | —                                                         | —                                                                                                      | —                                            |
| Repayment of borrowings                                                 | 422,406                            | —                                                                                                           | —                                                                      | —                                                         | —                                                                                                      | —                                            |
| Advances repaid to related parties                                      | —                                  | 250,921                                                                                                     | —                                                                      | —                                                         | —                                                                                                      | —                                            |
| Advances repaid to joint ventures                                       | —                                  | 1,397,110                                                                                                   | —                                                                      | —                                                         | —                                                                                                      | —                                            |
| Advances received from joint ventures                                   | —                                  | (18,809)                                                                                                    | —                                                                      | —                                                         | —                                                                                                      | —                                            |
| Advances repaid to associated companies                                 | —                                  | 9,947                                                                                                       | —                                                                      | —                                                         | —                                                                                                      | —                                            |
| Advances received from non-controlling interests                        | —                                  | —                                                                                                           | 7,961                                                                  | —                                                         | —                                                                                                      | —                                            |
| Advances repaid to non-controlling interest                             | —                                  | —                                                                                                           | (132,826)                                                              | —                                                         | —                                                                                                      | —                                            |
| Repayment of principal and interest expenses of lease liabilities       | —                                  | —                                                                                                           | —                                                                      | —                                                         | —                                                                                                      | 4,186                                        |
| Advance repaid to shareholder of associated companies and joint venture | —                                  | —                                                                                                           | —                                                                      | —                                                         | 471,182                                                                                                | —                                            |
| Total changes from financing cash flows:                                | 404,406                            | 1,639,169                                                                                                   | (124,865)                                                              | —                                                         | 471,182                                                                                                | 4,186                                        |
| Exchange adjustments                                                    | —                                  | —                                                                                                           | —                                                                      | (6,618)                                                   | —                                                                                                      | —                                            |
| Other changes:                                                          |                                    |                                                                                                             |                                                                        |                                                           |                                                                                                        |                                              |
| Interest expense on lease liabilities                                   | —                                  | —                                                                                                           | —                                                                      | —                                                         | —                                                                                                      | (1,004)                                      |
| At 31 December 2024                                                     | (2,110,728)                        | (5,769,523)                                                                                                 | (741,149)                                                              | (362,891)                                                 | (2,218,203)                                                                                            | (4,568)                                      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



### **43 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 24 April 2026.

## SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated or reclassified as appropriate.

### RESULTS

|                                 | Year ended 31 December |                 |                 |                 |                 |
|---------------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|
|                                 | 2025<br>RMB'000        | 2024<br>RMB'000 | 2023<br>RMB'000 | 2022<br>RMB'000 | 2021<br>RMB'000 |
| Revenue                         | <b>4,385,189</b>       | 7,030,291       | 9,524,999       | 10,568,374      | 16,416,421      |
| (Loss)/profit before income tax | <b>(1,106,054)</b>     | (1,144,824)     | 149,671         | 977,751         | 3,756,126       |
| Income tax expense              | <b>(92,694)</b>        | (664,326)       | (792,816)       | (959,126)       | (1,759,241)     |
| (Loss)/profit for the year      | <b>(1,198,748)</b>     | (1,809,150)     | (643,145)       | 18,625          | 1,996,885       |
| Attributable to:                |                        |                 |                 |                 |                 |
| Equity holders of the Company   | <b>(1,227,177)</b>     | (1,791,055)     | (467,127)       | 47,961          | 1,882,657       |
| Non-controlling interests       | <b>28,429</b>          | (18,095)        | (176,018)       | (29,336)        | 114,228         |
|                                 | <b>(1,198,748)</b>     | (1,809,150)     | (643,145)       | 18,625          | 1,996,885       |

### ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

|                                     | As at 31 December   |                 |                 |                 |                 |
|-------------------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|
|                                     | 2025<br>RMB'000     | 2024<br>RMB'000 | 2023<br>RMB'000 | 2022<br>RMB'000 | 2021<br>RMB'000 |
| Total assets                        | <b>57,383,362</b>   | 62,326,638      | 70,667,754      | 71,186,822      | 73,745,719      |
| Total liabilities                   | <b>(41,780,130)</b> | (45,525,061)    | (51,652,317)    | (51,571,020)    | (54,286,855)    |
| Non-controlling interests in equity | <b>(1,109,879)</b>  | (1,081,450)     | (1,496,445)     | (1,632,937)     | (1,520,248)     |
|                                     | <b>14,493,353</b>   | 15,720,127      | 17,518,992      | 17,982,865      | 17,938,616      |